No. 90.

THIRD

REPORT

FROM THE

SELECT COMMITTEE

APPOINTED TO EXAMINE AND ENQUIRE INTO THE MANAGEMENT

OF THE

WELLAND CANAL;

With power to send for persons and papers, and also the Books of Account and other Records of the Canal Company—and to take such steps as might be deemed necessary to enable the House to arrive at the knowledge of the actual state and condition of the past and present affairs of the Canal.

TOGETHER WITH THE

MINUTES OF EVIDENCE

TAKEN BEFORE THE COMMITTEE, AND AN APPENDIX, CONTAINING VARIOUS REPORTS AND OTHER DOCUMENTS RELATING TO THE BUSINESS AND AFFAIRS OF THE CANAL.

Members of Committee.

JAMES EDWARD SMALL, Esquire, *Chairman.*

Mr. SHAVER,
Mr. CHISHOLM,
Mr. GIBSON,
Mr. SOLICITOR GENERAL,
Mr. THORBURN,
Mr. McDONELL *of Stormont,*
Mr. PARKE, and
Mr. ROBLIN.

ORDERED, BY THE HOUSE OF ASSEMBLY, TO BE PRINTED.

TORONTO:

WILLIAM LYON MACKENZIE.

OFFICE OF THE CONSTITUTION.

1836.

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[NO. 90.]

THIRD REPORT

OF

SELECT COMMITTEE

ON THE SUBJECT OF THE

WELLAND CANAL.

To the Honorable the Commons House of Assembly,

Your committee appointed to examine and inquire into the management of THE WELLAND CANAL, and to whom was referred all the accounts, reports, books, documents, &c., that were or might be brought before your Hon'ble House, relative to the Welland Canal Company, or any charges that might be preferred against the same, and to whom were given power to send for persons and papers, books and documents, or records, in any way connected with the affairs of the Canal or its Company, and also power to employ a clerk or clerks, or any person that might be deemed necessary, so as to enable your committee to arrive at the knowledge of the actual state and condition of the past and present affairs of the said Canal or the affairs of its Company, and to report to your Honorable House, from time to time, for the purpose of coming to some satisfactory conclusions with regard to the said Canal and its management, and to take steps to have the Welland Canal Office and its contents immediately removed to Toronto, to one of the committee rooms of your Honorable House:

RESPECTFULLY REPORT,

That, in obedience to the order of your Honorable House, your committee having met on the 27th January last, and being organized, took immediate measures to obtain the production of all the books, papers and documents of every description, relating to the business of the Welland Canal, and the expenditure of monies connected with that work, and had them deposited in the charge of the clerk to your committee—and also summoned the Secretary and Book-keeper of the said Company to appear before your committee, who appeared, and produced the books, &c. of the Company, in conformity to the summons.

That your committee summoned before them W. L. Mackenzie, Esq., one of the Directors of the Welland Canal Company, appointed by your Honorable House, and having ordered the reading of that part of the Journals of last Session, relating to his appointment to that office, put

to him the following query, viz :—Did you enter upon the duties as a Director of the Welland Canal Company in conformity to the appointment just read ?—Answer. Most assuredly I did.

That, on the 3rd day of February, your committee received a communication from Mr. Mackenzie, containing charges against the Directors, Officers and Managers of the Welland Canal Company, which are as follows :—

1st. That the books are improperly kept, and, as I think, purposely, with intent to defraud the public and the Canal proprietors.

2nd. That very many erasures have been made in the journal and leger, some of which are to the evident disadvantage of the Company and the benefit of persons connected with the management of the Canal, while there are others concerning which, nothing could be traced by which to discover the original entries.

3rd. That false and erroneous entries have been made on the books of account, to a large amount.

4th. That there is a great defalcation on the part of the officers of the Company.

5th. That false accounts have been sworn to and laid before the Legislature.

6th. That important transactions of large amount have been improperly withheld from the Company's books of account for several years.

7th. That the charges by the officers for casual expenses are, in many cases, improper, and some of them such as no gentleman ought to have made, nor any Board audited.

8th. That the officers in late years have taken their own salaries out of the funds of the corporation without any authority of the Board.

9th. That persons in the employment of the Company, or others who appear to have been allowed access to its books and papers, have increased and decreased and changed and altered accounts at their pleasure, and made entries on the books unauthorised by the minutes of the Board, and even in direct contradiction to its standing orders.

10th. That loans have been made to Directors, Officers and others, from the Company's funds, and without the consent of the Board—and the interest sometimes placed to the Company's credit, and sometimes kept back by the clerks and officers.

11th. That one set of books of account are kept by the Officers, in which their accounts with contractors and others, and even private accounts are entered, and another set of books, very different indeed from the others, and sometimes in direct contradiction to them, prepared for the inspection of the Board.

12th. That Wm. Hamilton Merritt, Esq., who succeeded Mr. Black, as Secretary to the Company, and Mr. Clark, who succeeded him, appear to have made no entries in the Leger or Journal, although that was an important part of their prescribed duties : and that they have declared to me that they have not even examined the entries made by Book-keepers, hired to perform their duty for them, occasional servants and others, some of them manifestly incompetent—and Mr. Beaton, the principal occasional person employed, is habitually intemperate, and as I think, evidently dishonest, judging by the entries he has made, and the proceedings he has connived at.

13th. That a system of favoritism has prevailed, in the letting out of contracts, injurious to the interests of the Company; and that some of the contracts performed by these favorites, have been most iniquitously performed.

14th. That fraud and deception have been practised, to induce persons of wealth

and property to invest their funds in the Welland Canal; and that in this system of deception, the British Consul at New York, has been an important actor and instrument.

15th. That Mr. Merritt used the seal of the Company to serve the purposes of Henry John Boulton, Esq., when he was going to England in 1825—so as to incur the risque of £100,000 of the stock of the Company, being paid in London to an individual, without making him responsible for the money so to be obtained; and that Mr. Boulton was paid in advance £300 sterling, for services which appear to have been never rendered, and that vote afterwards improperly confirmed by the Board.

16th. That valuable mill sites have been given away without recompense, after stockholders had been induced to subscribe, by means of reports by the Board, that great wealth would be derived from the leasing of these mill sites.

17th. That the President, Agent, and some of the Directors have been improperly employed in forwarding goods on the Canal, and in leasing the water power thereon, while acting as such officers.

18th. That a bargain deeply injurious to the interests of the Company, and of the Province, as connected therewith, has been attempted to be carried into operation, by which valuable property granted to the Company at Port Colborne, and other lands and water power would be alienated from the company unjustly and improperly, and many thousands of pounds of debt incurred by them, without value being received therefor.

19th. That George Keefer, Esq. was improperly connected in the contract for the locks, while a Director, and that he received undue advantages from that contract.

20th. That important original estimates contracts, receipts, and other papers, are missing at the Canal Office, and that the officers in no way account for their being missing.

21st. That the accounts of W. B. Robinson, John Macaulay, and Absalom Shade, Esqrs., commissioners appointed to expend $30,000, granted by the Legislature, and taken as Canal Stock, were withheld for years from the country and the company, and found very inaccurate and unsatisfactory when produced by them.

22nd. That the Board has frequently entered into contracts it was without the means of paying, and agreed to issue paper money it could not possibly redeem.

23rd. That the Canal Directors and Officers, and their correspondents, have unnecessarily, and improperly, mixed up politics with the business of the Company, and tampered with the public press.

24th. That after the first election, the nominees of certain persons in New York always had the nomination of the majority of the Board, although holding a very small share of the Stock, and that the elections have not been on all occasions conducted according to law.

25th. That the Canal has been taken to particular places, to the injury of the company, to serve the purposes of interested individuals.

26th. That in the case of the steam Dredge, and others very similar, extravagant charges have been made against the Company, and paid from its funds under suspicious circumstances.

27th. That $10,000 were loaned to Mr. Yates while many creditors of the Company remained unpaid.

28th. That $30,000 of debt due by Oliver Phelps has been improperly placed in the profit and loss account, although he is a person in good standing; and that the Board, in releasing him from the obligations the Company had against his

property, forgot the interests of the canal and the country.

29th. That many thousand pounds were lost by the neglect and carelessness of the Engineers, Directors and Managers of the Canal Company in not taking proper precautions to prevent the catastrophe of the slides, which took place in November 1828 at the Deep Cut—and

30th. That after the Board of Directors at an extraordinary meeting, held last October, had resolved, that there appeared to them to be good cause for a speedy and efficient investigation of the monied concerns of the Company, and had taken the books and papers out of the hands of Mr. Merritt and the other officers, and sealed them up, they (the said board) returned them to the officers without any investigation at all, and thereby enabling them to commit other offences if so disposed.

That Mr. Mackenzie was requested to proceed with the production of such evidence as he might have to adduce in support of the above charges.

On the 9th day of February, Mr. Mackenzie commenced giving evidence before your committee, agreeably to the above requisition, and after examining at great length such witnesses as he thought proper, finally closed on the 26th of March last.

That your committee being desirous to afford every opportunity for the thorough investigation and proof of charges of so serious a nature, patiently allowed Mr. Mackenzie so great a proportion of their time.

(For evidence, see Appendix to this Report.)

That your committee deemed it necessary for the purpose of assisting them in arriving at the true state of the affairs of the Company to employ two competent accomptants, who have given evidence before your committee as to the result of their labors in investigating those books and accounts.

(See evidence of Book-keepers in the Appendix to this Report.)

That William Hamilton Merritt, Esqr. President of the Welland Canal Company, on behalf of the Board of Directors and officers of the said Company, requested permission of your committee, to be heard in answer to the charges brought against himself and the Company by Mr. Mackenzie, and likewise adduce evidence in contradiction thereto—which requisition was readily complied with.

That on the 28th of March Mr. Merritt commenced on the part of the defence, produced his evidence, examined his witnesses, and finally concluded on the 31st of the same month.

(For evidence, see Appendix to this Report.)

That your committee after having called for such evidence, and examined such witnesses, touching the above charges and the general affairs of the Company, as they deemed necessary for the purposes of justice—now proceed to submit in the first place the conclusions they have arrived at upon the several charges made by Mr. Mackenzie :—

Numbers 1, 2, 3, 4, 5, 6 and 9, of these charges relating solely to the books and accounts of the Company, and the manner in which they have been kept may be taken together. The evidence upon these, in the opinion of your committee fully substantiates the charge that they have been kept in a very careless, irregular and improper manner, highly discreditable to a public body, but your committee cannot say that any intentional fraud against the public or canal proprietors, has been brought home to any individual officer of the Company, or that the misconduct complained of in this respect is calculated to benefit the individuals connected with the management of the canal. With regard to the defalca-

tion on the part of the officers of the Company your Committee deem it proper to state that the accountants employed by them proceeded in the first instance to balance the books of the Company from the commencement of their operations, and then turned their attention to such accounts as Mr. Mackenzie thought proper to point out, as the investigation of all the accounts of the Company from the commencement to the present time would have occupied them at least six months. Upon this partial investigation it appears there is a defalcation on the part of the officers of the Company to the amount of £1,724 11s. 0½d.—this sum is made up of the following items, viz: unaccounted for on general cash account, £378 0s 5½d. on tolls of 1830, '31, '32, and '33, £422 17s. 4d.—over charges and over credits, £560 16s. 1d.—sundry sums at the debit of individuals, and not charged to them till December 1835, in all £362 17s. 2d. Since, however, these errors were discovered, the clerks of the Company have to a certain extent accounted for £206 6s. which should be deducted from the balance on the general cash of £378 0s. 5½d; but it is quite impossible for the committee to say, whether upon a general investigation of the whole accounts, these sums would be increased or diminished.—With respect to false accounts having been sworn to, and laid before the Legislature, it appears that John Clark, Esq, Secretary to the Company, as such, swore to the accounts laid before the Legislature in 1832 which have, upon investigation, proved to be incorrect so far as regards the sum of £579 12s. 3d. stated to have been paid to George Keefer upon Grand River claims, when in fact it was not so expended, but your committee have no hesitation in exonerating Mr. Clark of criminal intention, as the whole amount appears to have been expended for canal purposes, and was, in fact, entered, though erroneously, to Mr. Keefer's credit.

Upon charge No. 7, your committee are of opinion that so far as the expenses of Mr. Merritt, upon his journey to York, Quebec, and New York—the amount of Were's account—the expenses upon opening the Canal—and upon the visit of His Excellency Sir John Colborne to the Canal, are concerned, they are unworthy of remark, as upon an undertaking of such magnitude, and of so great importance to the Province, the Directors might, upon such occasions, have charged the actual expenditure as contingencies, without specifying the items; and without reference to which it would not appear that these expenditures were unwarrantable. With regard to the payment of £300 to Mr. Boulton, for his journey to England, your committee cannot, under the circumstances, form so favorable an opinion; as it appears that his journey, in the manner it was undertaken, was not only without the consent of the whole of the Directors, but decidedly in opposition to the views of some of them. There are other items under this charge that may be questionable; but your committee are of opinion, that they are not of such importance as to warrant dwelling upon them in detail, particularly as they have before been investigated by a committee of your Honorable House in 1830, with the exception of a charge of £117 10s. for loss on steamboat Peacock, which at present is enveloped in mystery, and can only be unravelled by Messrs. Smith and Macey, of Buffalo, the Agents of the Company.

Charges 8 and 11 might properly have been classed with the first 6 and 9. Your committee cannot but express it as their opinion, that the irregularities complained of in these charges, and which the books themselves justify, are any thing but creditable to the Company's officers.

Under charge No. 10, it appears that a loan of £2,500 was made to J. B. Yates, Esq.—£1,000 to Geo. Keefer, Esq.—£178 13s. 5d. to R. Burns, Esq.—£164 14s. to O. Creighton, Esq.—and £100 to Thos. Butler, Esq., all of them, with the exception of that to Mr. Yates, without any authority of the Board. When your committee reflect, that almost all these gentlemen were officers of the Company, they cannot but condemn a practice that never would be tolerated in a banking or mercantile establishment.

With respect to charge No. 12, it appears that although Mr. Merritt was appointed Secretary for a short time, upon Mr. Black's leaving, yet that he never discharged the duties of that office, except upon one occasion he signed an agreement between Thos. Merritt and the Company, for Lock and Harbor at Gravelly Bay, in that capacity. The appointment of Mr. Clark to that office was highly injudicious, in the opinion of your committee, as it is evident he was quite incompetent for the discharge of its duties. At the same time, your committee cannot but declare it as their opinion that Mr. Clark's character as a gentleman, and a man of honor, stands unimpeached; and judging of Mr. Beaton, the principal clerk employed in the office of the Company, from what your committee have seen of him during his attendance in the Committee-Room for upwards of two months, and in the absence of other evidence than that produced, feel themselves bound to acquit him of the charge of habitual intemperance and dishonesty. At the same time, in their opinion, he is censurable for continuing the books in the same careless manner in which they were kept previous to their coming into his possession.

Upon the 13th charge, your committee are of opinion that the direct evidence of favoritism in letting out contracts is but slight; but viewing the evidence upon the whole investigation, your committee have no doubt but that most improvident contracts have been entered into, and some of them most shamefully performed, to the serious injury of the Company.

The material part of the evidence upon the 14th charge refers to transactions which took place upon the formation of the Company, and previous to the Legislature or the Province being interested in it; and as the conduct and character of gentlemen at a distance, and who have had no opportunity of being heard, is implicated, your committee refrain from expressing an opinion, or making any remarks upon this charge, and have foreborne to report the evidence upon it, as at this late day the publication of it can have no other effect than that of injuring the feelings of gentlemen whose conduct, whatever it might have been nine or ten years ago, can have no bearing upon the present state of the affairs of the Company.

Your Committee have, in their observations upon the 7th charge, disposed of so much of the 15th as regards the £300 to Mr. Boulton. The remainder of this latter charge, which affects the conduct of Mr. Merritt, in placing the seal of the Company to an authority to Mr. Boulton, which had the effect of enabling him to raise the sum of £100,000, without the direct and positive approbation of the Directors, was, to say the least of it, highly injudicious, and might have involved the Company in serious difficulties.

Upon charge No. 16, the only evidence is with respect to a mill site and water power for four run of stones being given to Mr. George Keefer, Sen., upon the condition that the mill should be finished and ready to go into operation immediately upon the water being let into the Canal. As Mr. Keefer was necessarily to incur a great outlay which might have

proved a total loss had any circumstances arisen to prevent the completion of the Canal, which at that time was by no means certain, and as the great object of the Directors was, by making a beginning of works of that description on the line of the Canal, to encourage others, your committee are of opinion that the propriety of this gift is questionable; but of this, your Honorable House and the public are equally capable of judging.

Upon charge No. 17, your committee have no hesitation in stating, that, in their opinion, it is highly improper for any of the officers of the Company to be in any way connected with the water privileges or transport upon the Canal—that they ought to be above the suspicion of having any interest to serve beyond those of the Canal proprietors—that some of them have been, and still are, so interested, there can be no doubt.

In observing upon charge No. 18, your committee have to state, it appears by a deed in fee, bearing date the 4th day of August, 1831—that the Company sold to Alexander McDonell, Esquire, (J. B. Yates, Esquire, being the purchaser but incapable of holding the same he being an Alien) "all the lands of the Company, amounting to 15,576⅛ acres, together with all other lands they might be possessed of by operation of law, and the whole of the water privileges and the water" except so much as should be required for the canal, for the sum of £25,000, to be paid in ten years, the interest to be paid half-yearly. About 18 months interest upon this sum is said to have been paid and principally refunded in the shape of bonuses for damages said to be sustained for want of water—that it further appears that on the 9th day of June, 1834, the Company relinquished their claim for the £25,000 and bought back the lands and water privileges with the exception of about 200 acres, being the Town Plots of Port Colborne and Allanburgh which are of great value, as Town Lots of a quarter of an acre in the latter place having sold for £25—and some valuable Mill sites as detailed in the evidence, they giving the Company's bonds to Mr. Yates for the payment of £17,000 with interest. This transaction to your committee is inexplicable, no statement that they have heard has satisfied them of the justice or even expediency of an arrangement which, if applied to the ordinary transactions of life, would not only be deemed ruinous but the result of insanity. The value of property sold, or the amount of profits received by the Hydraulic Company is quite uncertain. Your Committee are of opinion that it is well worthy of the consideration of your Honorable House how far it would be advisable to take immediate steps to cancel the whole agreement.

Upon charge No. 19, your committee remark that it appears George Keefer, Sen. Esq., while a Director, contracted with Oliver Phelps for the delivery of a quantity of timber for locks, that Phelps had contracted to build. Upon the evidence adduced, your committee are unable to arrive at the conclusion contained in this charge, that Mr. Keefer received undue advantages from that contract, although it is not improbable he may have done so.

Upon the investigation of the 20th charge, your committee find that there are important estimates, and other documents amounting to large sums of money, belonging to the Company missing, and of which the officers can give no satisfactory account.

With respect to charge No. 21, your committee have to remark, that upon an investigation of Mr. Robinson's accounts, who was the Commissioner entrusted by his brother commissioners to expend

£7,500, there appears a deficiency (after allowing sums claimed without vouchers; as also vouchers for sums paid, executed with a cross without a witness) of about £300—it is due, however, to Mr. Robinson to state, that he accounts for the delay in not having furnished his accounts properly authenticated, by stating, that Mr. Mackenzie was to have furnished him with a report, upon the receipt of which, he would have been enabled to proceed to the line of Canal, and procure the necessary details to rectify any apparent errors; and that not having received such report, it will be impossible for him to give a satisfactory account, until after he shall have had an opportunity of doing so, which his Parliamentary duties at present prevent; even presuming this statement to be correct, your Committee cannot acquit Mr. Robinson as a Commissioner, entrusted with the expenditure of public money, of a very great dereliction of duty, in not having been prepared long before the commencement of the present session with a detailed statement of his expenditures, corroborated by such vouchers as would defy a suspicion, which in the opinion of your committee, and those who know him, his character stands too high to allow ever to attach to him.

On the 22nd charge, your committee would remark, that in this extensive work, the company had frequently to contend with that *bane* to the correct progression and successful termination of all public works, viz: *a deficiency of means and funds*, and if in their anxiety to proceed with the work, and bring it to a speedy completion, they should sometimes have failed in the means of paying their contracts, your committee are of opinion that it should rather be attributed to their anxiety to forward the work and to disappointment in resources with which they anticipated to meet their contracts, than to any premeditated design of doing injury by entering into contracts which they had not the ability afterwards to pay—and your committee would further remark on this charge, that when the Board of Directors, agreed to issue paper money to enable them to proceed with finishing the work, (however objectionable such a course might be as a general principle) it seemed to have been the only feasible means of proceeding with the work at that period—and your committee have reason for thinking, that the Company had grounds to anticipate resources to redeem such paper issues, before any serious injury could happen to any person into whose possession their notes might come.

Upon charge No. 23, your committee remark that the principal evidence is the production of a letter from the Editor of the Patriot, soliciting support, and slandering the majorty of your Honorable House. As to any attempts that may have been made to tamper with the press, your committee are of opinion they are of no moment, as they conceive it is not in the power of the Welland Canal Company, or, indeed, of any other, to corrupt the press of this Province.

With regard to the 24th charge, your committee are of opinion, that it is no fault of the officers of the Company that the agent of the New York stockholders was generally more attentive to the interests of those who employed him, than the Canadian stockholders were to their own, in attending to the election of Directors. With respect to elections having been conducted contrary to law—it appears, that the Honorable John Henry Dunn was upon one occasion elected President by acclamation instead of being ballotted for as the law directs.

Upon investigating the 25th charge, it appears to your committee, that a shorter route for the Canal might have been judiciously selected, and with less expense to the proprietors, but which would not

have been so beneficial to some individuals as the present—your committee, however, cannot pretend to say that the course adopted was with a view of serving the purposes of interested individuals.

The evidence upon the 26th charge, clearly proves the very improvident manner in which the monies of the Company, were expended, and particularly in the case of the Steam Dredge and other contracts of a similar description.

Charge No. 27, is contained in charge No. 10, upon which your committee have in part remarked. In their opinion the affairs of the Company at the time did not justify this loan.

Upon charge No. 28, your committee would remark, that it appears Oliver Phelps owed the Company a debt of £7,500, over and above any claims he had against them upon his contracts, that the Company held a mortgage upon his property, which, by an order of the Board of Directors, dated the 6th of June, 1832, was given up to him without any reason assigned; in the evidence of Mr. M'Donell, however, it appears that the Company took from him a deed for 50 acres of land, worth about £10 per acre, which is the only consideration for the relinquishment of the above debt. The President, nevertheless, contends that allowing Mr. Phelps the above sum, he is only then paid the actual value of all his contracts.

In charge 29, Mr. Mackenzie contends, that the slides at the Deep Cut were caused by the carelessness of the officers of the Company, whose duty it was to superintend the works, in allowing the earth to be placed too near the edge of the Cut. The evidence upon this subject is contradictory; but your committee are led to believe that the accident was occasioned rather from the nature of the soil at the bottom, than from any culpable negligence.

With respect to the 30th and last charge, it appears that there was an investigation made, at the instance of the Directors of the Company, by Messrs. Bowery and Burns, which they (the Directors) conceived warranted them in replacing the books in the hands of the officers, although that investigation, in the opinion of your committee, has turned out not to have been pursued to the extent, and with that exactness, which the circumstances warranted.

Your committee having thus remarked upon all the charges brought before them, would state, in conclusion, that, after the investigation they have been able to make, they are fully satisfied, that for some years past the affairs of the Company have been conducted in a very loose and unsatisfactory manner, which may have, and no doubt has, originated in their being frequently much cramped for means to carry on the necessary repairs required to keep the canal open; and when your committee take into consideration the magnitude of the undertaking, and the many unforeseen disadvantages the Directors have had to struggle against, they feel inclined to put the most favorable construction upon their general conduct, and to acquit them of any *intentional* abuse of the powers vested in them—although it is difficult for your committee to account for or excuse their conduct in the sale of the Hydraulic Works, or in the relinquishment of the £7,500 to Oliver Phelps, who appears to have received advantages withheld from other contractors, in the opinion of your committee much more deserving. Their conduct also in the purchase of £1,340 worth of timber for a tunnel, which was abandoned, is also highly reprehensible, as it appears that a portion of this timber was allowed to be stolen and lost to the Company, without one shilling's worth ever being accounted for; another por-

tion appears to have been purchased by Gilbert M'Micking, Esq., M. P. P., and others, without any authority from the Directors, or the Company deriving any advantages from such sales; and large quantities of it made use of by Oliver Phelps in the Locks, for which he does not appear to have been charged.

In order to enable your Honorable House to form a correct opinion upon the general state and affairs of the Canal, and to come to some correct conclusion as to its future management, your committee deem it their duty to lay before your Honorable House a concise statement of the property in the said canal, as it is held by individuals and the public, as follows:—

Loan by G. Britain, Provl. Cur.	£ 55,555	11	2
Do. Upper Canada, . . .	100,000	0	0
Stock taken by Provincial Legislature, ...	107,500	0	0
Stock taken by Lower Canada .	25,000	0	0
Stock in England by private individuals, ...	30,137	10	0
Stock in United States by do, . .	69,625	0	0
Do. in Lower Canada by do, .	13,825	0	0
Do. in Upper Canada by do, .	3,712	10	0
Do. in New Brunswick by do, .	500	0	0
	£405,855	11	2
Advanced this year by Parliament,	2,000	0	0
Total, ...	£407,855	11	2

Since the canal went into operation, in 1830, the gross receipts have been as follows:—

Tolls in 1830 and 1831—Gross receipt, ...	£ 1,956	18	7½
Tolls in 1832, ...	2,432	7	8¾
Do. 1833, ...	3,618	1	7¾
Do. 1834, ...	4,300	8	5¾
Do. 1835, ...	5,807	5	11¼
From lands and water rents to 1st January, 1834, ...	100	0	0
Since January, 1834, ...	454	7	9½
Interest upon Hydraulic Sale, . .	1,531	6	8
	£20,300	16	10
Exchange on Bill on England, .	7,156	15	5
Making the whole amount of the gross receipts, ...	£27,457	12	3

By which it appears that the sum of £435,213 3s. 5d. have been expended upon the canal since its commencement, after deducting £100, which appears by the last returns and evidence of the Secretary to be the balance in his hands on the 30th of December, 1835.

All which is respectfully submitted,

JAMES E. SMALL,
Chairman.

DAVID GIBSON,
PETER SHAVER,
THOMAS PARKE,
DONALD Æ. M'DONELL,
DAVID THORBURN,
A. CHISHOLM,
JOHN P. ROBLIN,
Members of Committee who signed the Report.

Committee-Room, House of Assembly,
13th day of April, 1836.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

APPOINTED TO INVESTIGATE THE AFFAIRS OF THE

WELLAND CANAL COMPANY,

1836.

Committee-Room, House of Assembly,
Wednesday, 27th day of January, 1836.

Committee met.

PRESENT.

Messieurs CHISHOLM.
GIBSON.
M'DONELL, *of Stormont.*
PARKE.
ROBLIN.
SHAVER.
SMALL.
SOLICITOR-GENERAL.
THORBURN.—9.

JAMES EDWARD SMALL, Esquire, in the Chair.

ALFRED PATRICK, appointed Clerk of Committee.

Ordered, That five be a quorum for the transaction of the business of this Committee.

Adjourned.

MONDAY, 1*st February*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm.
M'Donell.
Parke.
Roblin.
Shaver, and
Thorburn.—7.

The Chairman reported having received a communication, signed Wm. L. Mackenzie, embodying certain charges against the officers, managers, &c. of the Welland Canal Company, which was read by the Clerk, and is as follows:—

Toronto, 25th January, 1836

To

James Edward Small, Esq., Chairman of the Select Committee of the House of Assembly on the Welland Canal Company's Accounts, &c.

SIR,

As a Director of the Welland Canal, appointed to enquire into the management of the Company, with the consent of the Board of Directors, and by the special request of the Directors on the part of the Government, I beg to state, as the result of my observations, after an examination of two years proceedings, and a partial investigation of the management during the remainder of the term during which the Canal Company has been in operation, That

1st, The books are improperly kept, and, as I think, purposely, with intent to defraud the public and the Canal proprietors.

2nd, That very many erasures have been made in the journal and ledgers; some of which are to the evident disadvantage of the Company, and the benefit of persons connected with the management of the Canal; while there are others concerning which nothing could be traced by which to discover the original entries.

3rd. That false and erroneous entries have been made on the books of account to a large amount.

4th. That there is a great defalcation on the part of the officers of the Company.

5th. That false accounts have been sworn to, and laid before the Legislature.

6th. That important transactions of large amount have been improperly withheld from the Company's books of account for several years.

7th. That the charges by the officers for casual expenses are in many cases improper and some of

them such as no gentleman ought to have made, nor any Board audited.

8th. That the officers in late years, have taken their own salaries out of the funds of the corporation without any authority of the Board.

9th. That persons in the employment of the Company or others who appear to have been allowed access to its books and papers, have increased and decreased, and charged and altered accounts at their pleasure, and made entries on the books, unauthorised by the minutes of the Board, and even in direct contradiction to its standing orders.

10th. That loans have been made to directors, officers and others, from the Company's funds, and without the consent of the Board, and the interest sometimes placed to the Company's credit, and sometimes kept back by the clerks and officers.

11th. That one set of books of account are kept by the officers, in which their accounts with contractors and others, and even private accounts, are entered, and another set of books, very different indeed from the others, and sometimes in direct contradiction to them, prepared for the inspection of the Board.

12th. That William Hamilton Merritt, Esquire, who succeeded Mr. Black as Secretary to the Company, and Mr. Clark, who succeeded him, appear to have made no entries in the legers or journal, although that was an important part of their prescribed duties—and that they have declared to me that they have not even examined the entries made by bookkeepers hired to perform their duty for them, occasional servants and others, some of them manifestly incompetent, and Mr. Beaton, the principal occasional person employed is habitually intemperate, and, as I think, evidently dishonest, judging by the entries he has made, and the proceedings he has connived at.

13th. That a system of favoritism has prevailed in the letting out of contracts, injurious to the interests of the Company, and that some of the contracts performed by these favorites has been most iniquitously performed.

14th. That fraud and deception have been practised to induce persons of wealth and property to invest their funds in the Welland Canal—and that in this system of deception the British Consul at New York, has been an important actor and instrument.

15th. That Mr. Merritt used the seal of the Company to serve the purposes of Henry J. Boulton, Esq., when he was going to England in 1825, so as to incur the risk of £100,000, of the stock of the Company being paid in London to an individual without making him responsible for the money so to be obtained: and that Mr. Boulton was paid in advance, £300 sterling, for services which appear to have been never rendered, and that vote afterwards improperly confirmed by the Board.

16th. That valuable mill scites have been given away without recompense, after stockholders had been induced to subscribe by means of reports, by the Board, that great wealth would be derived from the leasing of these mill scites.

17th. That the President, Agent, and some of the Directors have been improperly employed in forwarding goods on the Canal and in leasing the water power thereon, while acting as such officers.

18th. That a bargain deeply injurious to the interests of the Company and of the Province as connected therewith, has been attempted to be carried into operation, by which valuable property granted to the Company at Port Colborne, and other lands and water power, would be alienated from the Company unjustly and improperly, and many thousands of pounds of debt incurred by them, without value being received therefor.

19th. That George Keefer, Esquire, was improperly connected in the contract for the locks while a director—and that he received undue advantages from that contract.

20th. That important original estimates, contracts, receipts, and other papers, are missing at the canal office, and that the officers in no way account for their being missing.

21st. That the accounts of W. B. Robinson, John McAulay and Absalom Shade, Esquires, Commissioners appointed to expend $30,000 granted by the Legislature, and taken as canal stock, were withheld for years from the country and the Company, and found very inaccurate and unsatisfactory when produced by them

22d. That the Board has frequently entered into contracts it was without the means of paying and agreed to issue paper money it could not possibly redeem.

23rd. That the Canal Directors and officers and their correspondents have unnecessarily and improperly mixed up politics with the business of the Company and tampered with the public press.

24th. That after the first election the nominees of certain persons in New York always had the nomination of a majority of the Board, although holding a very small share of the stock, and that the elections have not on all occasions been conducted according to law.

25th. That the canal has been taken to particular places to the injury of the Company, to serve the purposes of interested individuals.

26th. That in the case of the steam dredge, and others very similar, extravagant charges have been made against the Company and paid from its funds under suspicious circumstances.

27th. That $10,000 were loaned to Mr. Yates, while many creditors of the Company remain unpaid.

28th. That $30,000 of debt due by Oliver Phelps, has been improperly placed in the profit and loss account, although he is a person in good standing: and that the Board in releasing him from the obligations the Company had against his property, forgot the interests of the canal and the country.

29th. That many thousand pounds were lost by the neglect and carelessness of the Engineers, Directors, and Managers of the Canal Company, in not taking proper precautions to prevent the catastrophe of the slides which took place in November 1828, at the Deep Cut, and

30th. That after the Board of Directors, at an extraordinary meeting held last October, had resolved that there appeared to them to be good cause for a

speedy and efficient investigation of the monied concerns of the company, and had taken the books and papers out of the hands of Mr. Merritt and the other officers, and sealed them up, they (the said Board) returned them to the officers without any investigation at all, thereby enabling them to commit other offences if so disposed.

The particulars I will state to the committee specifically from time to time, with their permission, in such a form as may be found suitable.

I have the honor to be, Sir,
Your obed't. humble servant,
WM. L. MACKENZIE.

Adjourned.

TUESDAY, *9th February*, 1836.

Committee met,

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm,
McDonell,
Parke,
Solicitor General, &
Thorburn—6.

WILLIAM L. MACKENZIE, Esq. M. P. P. *called in, and examined,*

[BY COMMITTEE.]

1. Did you enter upon the duties of a Director of the Welland Canal Company, agreeably to your appointment by the House of Assembly? Most assuredly I did.

Adjourned.

THURSDAY, *11th February*, 1836.

Committee met,

PRESENT,

JAMES EDWARD SMALL, Esq., *Chairman,*
Messieurs Chisholm,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—7.

The Chairman reported having received a communication from Ogden Creighton, Esquire, a Director and Stockholder of the Welland Canal, to the committee, which was read by the Clerk, and is as follows:

CLIFTON, Falls of Niagara, *February 2nd*, 1836.

To the Chairman of the Committee on Welland Canal Affairs.

SIR,

In a recent personal communication with the Stockholders of the Welland Canal Company residing in New York, I found them all of opinion that the present system of conducting the affairs of that great work, was detrimental in the extreme to its best interests; and that either the Provincial Government, or the private stockholders should possess the Canal in toto, in order that the work might be kept in the best possible order, energy given to its management, and a spirit of activity and enterprize diffused throughout the whole line of the canal.

Overtures to this effect, were made through me to His Excellency Sir John Colborne, which recent events have rendered unavailing—therefore some decisive measure is now more than ever necessary, unless it be intended by the Province that this stupendious work, should, at the period when it shews evidence of the greatest utility, be altogether abandoned.

The amount owned by individuals in canal stock, is, - -	£115,000
Debentures issued, bearing 5 per cent, would be, - -	5,750
The stock owned by the province, is	107,500
The interest on which, at 5 per cent would be, - - -	5,375

I would therefore most respectfully suggest, that either the province purchase from the stockholders, or sell its stock to them.

If the proposed first plan should be adopted, Debentures might be issued, redeemable in 40 years, at 5 per cent; and after the Tolls on the Canal shall exceed £12,500 annually, then that a further issue of Debentures should be made to an extent that will cover the back interest on the capitol already paid in—or let the Stockholders assume the canal, by paying the Government on the same terms.

Which is submitted by,
Sir,
With respect,
Your most obedient servant,
OGDEN CREIGHTON,
Director and Stockholder,
W. C. Company.

Mr. MACKENZIE *again called, and further examined.*

[BY Mr. MERRITT.]

2. Do you perfectly understand book-keeping by the Italian method of double entry?—I consider myself acquainted with that method, others must judge whether I understand it properly.

3. Were the books kept by Mr. Wenham on that plan?—I think they were fairly kept by Mr. Wenham on that plan.

4. Were they well kept by that gentleman?—I think so, but have not examined all he did.

5. Were the books kept by Mr. Black, on the same plan or method as Mr. Wenham?—Partly so.

(Witness withdrew.)

Adjourned.

WEDNESDAY, *17th February*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—8.

Mr. Love Newlove, *called in and examined.*

(By Mr. Mackenzie.)

6. How long was you employed as a Contractor on the Welland Canal?—I commenced as a Contractor at the commencement of the work upon the canal and continued until it was finished with the exception of part of one summer.

7. Did the officers of the Company or any of them, ever attempt to impose upon you in the settlement of your accounts, by insisting that you had received sums of money which had never been paid to you?—Mr. Black once did—he had charged to me more than I had received—but I afterwards got it on the same day—and all was made right.

8. What was the sum which it was attempted to deprive you of, in this way, and when was it?—I cannot tell the day, I think the sum was $400 that was improperly charged against me, it was Mr. Clark first told me I had received so much, this was, upon reference to the books, as I think—Mr. Black was then sent for, and admitted it was wrong, I was paid the amount of my demand in full the same day.

9. Did Mr. Black, when sent for, and after looking over the books, at once admit the books to be incorrect, or had you some dispute with him, before he allowed the $400, or whatever the difference was?—We had some argument; Mr. Black said he did not see how his books could be wrong. I answered, I did not care for his books, look for my receipts for all I have received. Mr. Black answered—I gave your son $600—this payment I acknowledged, but still claimed as my due the 4 or $500 above referred to, over what I was willing to admit, which was afterwards admitted and paid.

[By Committee.]

10. Did Mr. Black read from the books the different items of the aggregate making the difference he said was against you?—I think he did, some of them but not the whole.

11. Did Mr. Black get convinced that the books were wrong, and afterwards correct them, and give or allow the sum claimed?—I cannot tell whether he admitted the books wrong, or altered them—he did admit my claim and paid it.

12. Was there a particular charge read from the books that you denied, or was the different entries wrong?—The sum total was wrong 4 or $500; no items were read from the book that I remember.

[By Mr. Mackenzie.]

13. In what manner did you satisfy Mr. Black that he was in error as to the 4 or $500 of difference?—I cannot tell how Mr. Black satisfied himself that he was in error; I did not hear him admit any error in his books; we were 4 or 5 hours before we agreed. Mr. Merritt came in, and said if there is a penny due to Newlove let him have it; I am desirous he should be paid. I am of opinion that if it had not been for Mr. Merritt, they would not have settled.

14. Was this your account as Love Newlove, or as Newlove, Porter & Co.?—It was as Love Newlove.

15. When was your account for Nos. 10 and 11 contract finally settled?—The account was settled or adjusted at the time spoken of, in the fall of 1832, but I was not fully paid at that time.

16. Was £250 paid you in June, 1832?—I think it was.

17. How was you paid that sum?—By an order on the Bank at Buffalo.

18. Did you get $600 in August of the same year?—My son got that sum.

19. Did you get a $1000 in May, 1833, from the Company?—I cannot say.

20. Did Mr. Merritt ever pay you money as contractor, and under what circumstances?—He has paid me a great deal of money at different times, in more than one or two years; he always paid me whenever and wherever I met with him and wanted it, if he had not the money of the Company he paid me with his own.

[By Mr. Merritt.]

21. Upon what part of the line was you situated in your contract Nos. 10 and 11?—Within 4 miles of Lake Erie.

22. Was the Company not often out of money at this time?—I think they were.

23. Did I not frequently bring money up from St. Catharines and pay to you?—Yes. You did at different times. You told me not to come down any more, as soon as the the Company got money, you would pay it or send it to me, which you did, $400 at one time.

24. Did I ever pay you money at the Canal Office?—I do not remember that you did, except before Mr. Black came.

25. Do you know that I paid you money out of my own pocket, when the Canal Company had no means?—I believe you lent me money in York, stating that you could do better without it than I could; I believe it was $50; you have done so more than once.

26. Was any other person present in the office, when the conversation took place between you and Mr. Black, besides Mr. Clark?—I think there was some men came in to see Mr. Clark—I do not remember who they were.

27. Did Mr. Black at the time of your settlement, give you a statement of your account in writing?—He did not give me a statement of the balance.

28. When you came to settle with Mr. Black, did you think he intendeded to cheat you out of the amount of 4 or $500 that was in dispute between you?—I decline to answer that question.

[By Mr. Clark]

29. Do you think when I told you that it appeared that you had received 4 or $500 more than you admitted, that I did so with intent to defraud you?—

No I am sure you did not—you told me you were not able to settle with me, that Mr. Black must be sent for.

30. Do you think there was any disposition on the part of the officers of the Company to withhold from you, what was due to you ?—No: there never was except the time spoken of, with respect to Mr. Black, and whether he did it wilfully or not, I cannot say.

31. Who were the officers that kept the accounts and paid the monies in the office, during the time you were employed ?—Mr. Black and yourself.

[By Mr. Mackenzie.]

32. Was you acquainted with a contractor by the name of Oliver Phelps, either before or after he came to Canada, and if yea, what circumstances was he in ?—I was acquainted with Oliver Phelps before he came to Canada, I have heard it said, he was considerably involved before he came here—I had a partner in a contract on the canal, and Oliver Phelps bought him out as I was informed by himself, he (Phelps) was to give him $150—but did not pay it. I afterwards bought him out for $125.

33. Before the Deep Cut was given up to Oliver Phelps by the contractors, did Mr. Merritt shew an anxiety that you should resign your contract in favor of Phelps ?—He did not that I recollect, I had as I conceived a good contract upon the Deep Cut.—There was a verbal contract that I should be paid by valuation—Mr. Merritt persuaded me to give it up upon the pretext that it was to be finished in a different way by Mr. McTaggart—My contract was taken from me by stratagem—And I was then informed it was given to Oliver Phelps.

[By Committee.]

34. What did you value your contract at per square yard, at the time you gave it up ?—I cannot tell.

[By Mr. Mackenzie.]

35. What were Oliver Phelps' worldly circumstances when the slides at the Deep Cut took place ? Do you think he gained by the stockholders in that unfortunate job ?—To the first part of the question I cannot tell—it was reported he was much involved, it was also reported he took the Deep Cut at his own price. I think if he was not paid more than the reported contract price he must be a looser by it. I took a letter to Hovey, from Mr. Merritt which stated that Oliver Phelps was doing the canal at his (Phelps') contract price, and that Hovey owed the Company, instead of the Company owing him. I think he, (Phelps) had a hard bargain by his contract unless he got more than was stipulated for—I have since heard it said that Mr. Phelps is very rich, I have heard him speak of property as his, consisting of a farm, a grist-mill and saw-mill, within a mile of St. Catharines.

[By Committee.]

36. What do you think would be a fair price per yard, for the work Mr. Phelps did at the Deep Cut ? I think Mr. Phelps never bottomed any of the Deep Cut, and cannot say, unless I knew how near the bottom he did go.

37. What reason have you to suppose Mr. Phelps never bottomed any of that work ? Because I never saw any of it bottomed. I am certain he did not bottom any, unless a very small portion indeed.

38. So far as you know Oliver Phelps went with the work, what do you think it was worth ? It was worth between 25 and 30 cents per yard. Myself and David Thompson, bottomed a part of the work in a worse state than that of Phelps, and we got I think 31 1-2 cents: I was a foreman to Phelps on the Deep Cut.

39. What was Phelps' conduct as a contractor on the Deep Cut—Did he give a proper slope to the excavation, in order to prevent the slides ? The first slide came in on my own job, in consequence of sand at the bottom. I think Mr. Phelps did not give the excavation a proper slope, even if it had been no more than 12 or 14 feet deep, I do not think the muck was taken far enough back.

40. Oliver Phelps and others, contracted for the 24 locks at $2,200, and got between 3 and 4,000. Was $2,200 a fair price ? It was little enough. I told Smith Ward that I thought it could be done for 2 or 3 and 20 hundred dollars—it was because timber was both cheap and plenty then, if it had to be drawn far, it alone would have cost the money.

[By Mr. Merritt.]

41. Was not the contract on the Deep Cut, first let to Beach, Hovey, and Ward, at 25 cents per yard, and did they not surrender that contract, because they could not finish it at the price ? I think it was. I always heard that Hovey and Ward were unwilling to give it up, they told me they never did give it up, that they had subcontracted it at 20 cents per yard; they told me the Company had taken away their contract against their will.

42. After they left the work, were not you and every other subcontractor working for one month at the estimate of the Engineer ? I was, and I think Hathaway was: I think they all were, but I do not know.

43. At the time they left the work, did not I notify the contractors during that month to give in proposals at a certain day that the directors would be there, stating the price at which you would finish your respective jobs ? I do not know that you did.

44. Do you not know that proposals were given in by the contractors on the day that Oliver Phelps took the contract in presence of the Directors ? I gave in proposals myself to please you, but I do not know that others did.

45. Were not you and the other subcontractors continued on the work as foremen and labourers under Phelps, who bought your teams and implements ? Having been turned out of my contract, I was obliged to work under him as a foreman, or look somewhere else for work.—Phelps bought part of my teams, but not the whole; he also bought Hovey's and Hathaway's teams and shanties.

46. Supposing Phelps had taken out the Deep Cut to the bottom, what do you think it would have been worth per square yard, from where he commenced his work ? I think it was worth over 25 cents, but not worth 30 cents per yard : I think it would have been worth considerably more, if Phelps had put the muck over the banks instead of inside.

47. Do you think the laying the muck on the banks, was the cause of the slides ? I think that no Canal was ever made, where the muck was laid as it was by

Phelps—I think it was a help to the slides. My contract with Hovey was not to lay any dirt within 30 feet of the canal—Phelps laid the dirt close to the edge of the Canal.

[By Mr. Mackenzie.]

48. I perceive that over and above the prices allowed Oliver Phelps, for going on with the Deep Cut, after it was taken from Hovey, a present was made him of $2491, for loss on sale of his cattle, the same allowance having been (as it is alleged) made to other contractors when Mr. Phelps took the job, besides another allowance of $1077 for wintering the same after the work stopped. Was a like allowance made you as a contractor? Never, I applied for it a great many times, but never was allowed a penny. I went there with $1500, and lost every shilling, which was lost by the Deep Cut slipping in, and the work stopping—by my cattle, 39 yoke of Hartwell's valuation, 6 yoke of my own, and 18 yoke of Thompson's wintering.

[By Committee.]

49. Where did you lay the earth when you did work on your own account, per the month, between Hovey's contract and Phelp's contract? Always 30 feet from the edge of the canal.

[By Mr. Mackenzie.]

50. What is your opinion of the line of Canal where you descend the mountain, and from thence to Port Dalhousie? I have always thought there was a better route for the Canal down the mountain: I would not have gone down Dick's Creek, unless satisfied by the Engineers that it was the best route. I would have gone as straight as possible to Port Dalhousie.

[Witness Withdrew.]

The chairman reported having received a communication addressed to the Honorable the Speaker, from J. B. Yates, Esquire, which was read by the clerk, and is as follows:

Albany, *January 26th*, 1836.

To

The Honorable the Speaker of the House of Assembly, of the Province of Upper Canada.

Sir,

I have recently received some numbers of a printed paper, entitled, The Welland Canal Journal, in which there are many communications from William J. Mackenzie, Esq., on the subject of the transactions of that company.

These communications have not been made in his character as member of Parliament, but presented to the public by him as an individual, or at least, not in any more important relation than as a Director of that Company. I solicit, therefore, permission to submit to the Honorable the House of Assembly, through you, some observations relative to the course he has chosen to pursue, and also a very brief examination of the charges made by Mr. Mackenzie, so far as I am concerned.

I would not have felt myself authorised to address this letter to you officially, if it were not, that the communications may be considered more important for having emanated from a man placed in the Board of Directors, by the House of Assembly, to represent the Provincial interest; and more especially, as the facility of transmission in the newspaper form, has been adopted to send, and widely to diffuse his exparti-statements, and in many important particulars, untrue and calumnious averments, throughout the whole country, not only in Canada, but every where, to all interested, and many not interested in the Canal.

If he has acted as a Director, it is, indeed, a matter of surprise that he should have adopted this highly exceptionable and irregular mode, instead of preparing a proper representation of his facts, and presenting it to your Honorable Body at the Annual Session. He has not done so, and the singularity and impropriety of his course remains unexplained, except by the shallow pretext, that His Excellency the Lieutenant-Governor of the Province had not yet issued a proclamation convoking Parliament. One of the objects of this communication is to shew, that the publication of his calumniating charges has been induced by other causes, and arising from judicious measures contemplated by the stockholders for relief and security, both to themselves and the Province.

Viewing the Company with reference to its debts and satisfied that its operations must be embarrassed even with entire faithfulness in the performance of duty on the part of the Directors, I made enquiry in a quarter where I thought and still think correct information might be obtained, whether a negotiation for a loan sufficient to pay the whole debt of the Company, and provide amply for the renewal and enlargement of such parts of the canal, as would render it more convenient, could probably be successfully made. The answer I received was decidedly favorable to the whole extent of what we might require. I submitted this information and applied to the Company for authority to negotiate a loan for that purpose. When the proposition was submitted to the Board, Mr. Mackenzie resisted it with warmth; it was however, carried, since which he has made every effort to counteract such negotiation, and has adopted this sinister mode to effect this object; endeavoring thus to impair the prospects and credit of the Company in the estimation of monied men. I have requested the Secretary of the Company to make out a copy of the report of the committee, consisting of the government directors, who made the last negotiation and arrangement with the Hydraulic Company, which you will see from the terms of the contract is closed. That report contains a history of the transaction, including the resolutions and proceedings on the first purchase, together with the names of the directors present at each meeting. You will readily perceive, on examining it, that the whole transaction from the beginning to the end has been conducted with the greatest regard to what was thought to be the interest of the Company, and with the utmost publicity and deliberation as well as fairness. In no one instance has any agreement or arrangement been made without an entire concurrence of all the government directors as well as the other members of the Board. Indeed I do not know in what manner to conduct my affairs, if my transactions with the Welland Canal Company have, properly, subjected me to censure, and particularly as I must be deeply and largely a loser, if the canal be unproductive. Mr. Mackenzie has said that I had always a sufficient number of votes to controul the election of directors.

This will not be denied. My friends and I own, either in our own names or in the names of others, nearly or quite, three-fifths of the stock of the Company in the hands of private persons. Many of us took a portion of this stock for the sake of sustaining the Company in its utmost need, and to prevent its forfeiture. But in the exercise of this power on my own account, and as the proxy for my friends, I refer with pleasure to the manner in which I have used it.

The Directors appointed by the Legislature were retained in office; and as they resigned, were their places supplied, and always without any difference of opinion. They were gentlemen of the first respectability. I never considered their selection a choice devolving on me, but a favor they conferred on the stockholders, to be willing to serve as directors. Until the change in the usage of the Company was introduced by Mr. Mackenzie, no director had charged any thing for his services—except that his actual expenses were paid. I have been told that the pay for attendance is now four dollars per day, insisted upon and demanded by Mr. Mackenzie himself, and that such allowance has been made for all the time employed in the examination, the result of which with all the exaggeration and dark coloring his malignity can give it, has thus dishonorably, and in violation of faith and duty, been published.

I have seen a certificate from Messrs. Bowery and Burns, the two gentlemen appointed by the Board of Directors to re-examine the accounts, from which I think, the inaccuracy of Mr. Mackenzie's views must be evident. I leave this however for correction by particular examination, merely remarking that I am at a loss to perceive how the public interest or that of stockholders can ever be promoted, even if there should be errors or mismanagement by adopting such a course as Mr. Mackenzie has thought proper to take. But to return to those acts in which I am personally implicated. In one view he appears to me to be placed in a dilemma—I am charged by him, with being *deservedly a loser* by the canal, because the directors who had the control of it were chosen by me, and that of course, I was *stupidly* sustaining their mismanagement to a large extent, at my own expense; and then again, I am charged with sagacious arrangements with the Company, from which I derived large pecuniary advantages.—I believe that I might with confidence leave this personal subject to the care of the gentlemen in Canada, who know me and have seen my anxiety and efforts—an explanation however may be proper. It is true my expenditure on the canal, and in improvements along the line of it had occasioned embarrassment and want of money. I supposed that as a portion of the money the Company then had would lie idle, it would be no injury to its interests, but an accommodation to me, if for a time, and until it should be required, I could have the use of a part of it and pay interest on it. I therefore made the application contained in the letter, a copy of which he has published, and borrowed £2,500. But when this assertion was made by Mr. Mackenzie, he neglected to say that a great part of it was then repaid by me, and the remainder has also been fully paid. This was a temporary convenience but bears no proportion as a return to the amonnts paid by me, or procured in aid of the operations of the Company at previous times. I acknowledge that no exertions of mine in favor of the Company would entitle me to an accommodation of this sort, if there was danger of injury from it; but there could be none with the means of security within reach of the Company.—The directors considered the matter in that light, and the resolution authorising the temporary loan will shew their view of it.

I have in my own right stock to the amount of $128,500, and I own one-third of $30,500, the other two-thirds being the property of Archibald M'Intyre and Henry Yates, besides $25,000, owned by Mr. McIntyre individually. We were originally stockholders, and have lost the interest on these sums from the times of their payment, in addition to this I have personally expended large sums in buildings and improvements on the property along the line of the canal. The Hydraulic Company did not desire to sell, and it was only in compliance with the urgent request of the public directors, that it was done. I am not desirous on my own account, that the government shall take the canal, and therefore would comply with any reasonable measure by which the whole debt of the Company, adding to it if desired, the stock of Upper Canada, should be consolodated, and a distant future day fixed for its payment, on the regular payment of the annual interest.

By a measure of this description, the government would retain the whole canal as security, leaving the stockholders unannoyed by the danger of such heartless and reckless interference as they have recently experienced.

Not knowing what may be the present public impression in relation to the propriety of purchase from the private stockholders—I have merely alluded to it. I am however satisfied, that if we had been permitted to continue unmolested, and we had received from Mr. Mackenzie an official and candid exposition in the proper channel and form, instead of one so directly its opposite, we would now be enabled to raise money from capitalists on our own responsibility, to pay off the Government debt entirely.

To recur, however, to the charges of Mr. Mackenzie. He censures my having received £500 for going to England, and, during an absence of six months, having succeeded in relieving the necessities of the Company; and also, in another transaction, having received one per cent. commission for negociating a loan in the United States. He is mistaken in the assertion, that the loan was negociated at Buffalo. It was negociated by me in Philadelphia, and, under the then circumstances, accomplished with some difficulty; and here I beg leave to suggest, that previous to that time, no loan had yet been made, even under the direct security of the Province, at less than six per cent. per annum. The whole sum received by me from the Company for these services, for which I was absent six months at one time, and at another was engaged in travelling and negociating a great part of the Spring and Summer of 1831, bearing my own expenses, was one thousand pounds. The whole amount of this sum is certainly small enough for the services, and more especially when it is considered that no individual connected in interest, or associated with the Canal, has made both personal efforts and pecuniary sacrifices for its sustentation during the ten years past, in any degree to be compared with mine. I make

this assertion confident of its perfect accuracy, and do it only because required by existing circumstances.

I grant that others have been assailed for their persevering efforts in support of this work with great virulence and acrimony; but when they defended themselves successfully against any unjust aspersion, the injury ceased. I am not so placed; if the prospect of the Canal is darkened—if its hope of making a fair return upon the outlay is weakened, personal vindication will not restore my rights. The other gentlemen who have been wantonly assailed are in the Province; they have a full opportunity of repelling the calumny. I am a foreigner, necessarily absent; but I trust, with unshaken confidence, that my character, my rights, and my interest will be sustained and protected from injury, when assailed by a man, clothed by the Honorable the House of Assembly, with a power which he has manifestly abused, and who appears to have no conception of the honorable obligation by which a public agent, so placed, should be governed.

I am, Sir,

With the greatest respect and esteem,

Your obedient servant,

J. B. YATES.

Mr. MACKENZIE *again called, and further examined.*

[BY COMMITTEE.]

51. Your 14th charge against the Officers, &c. of the Welland Canal Company is as follows:—"Fraud and deception have been practised to induce persons of wealth and property to invest their funds in the Welland Canal; and in this system of deception the British Consul at New York has been an important actor." What proof can you bring forward to prove these accusations well founded?

[The evidence produced by Mr. Mackenzie in support of this charge, and that brought by Mr. Merritt in explanation thereof, the committee has ordered to be expunged.]

TUESDAY, *23rd February*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm.
Gibson.
M'Donell.
Parke.
Roblin.
Shaver, and
Thorburn.—8.

Mr. MACKENZIE *again called, and further examined.*

[BY COMMITTEE.]

52. What have you to submit in support of your charge No. 21?

WELLAND CANAL MANAGEMENT IN 1833, UNDER MESSRS. ROBINSON, MACAULAY AND SHADE, PARLIAMENTARY COMMISSIONERS.

CONTENTS.

Messrs. Merritt and Robinson try to stifle enquiry,—600 *Shares taken by Parliament,—Arbitrators and Commissioners named,—Mr. Robinson to be their Resident Manager—their Report—Mr. Wright to be their Engineer—Wages to be paid Mr. Robinson—a W. C. Committee,* 1833-34*—their Opinion—the Company ask a Statement of Accounts—which is not easily obtained—Mr. Macaulay's Explanation—Mr. Robinson asks a Balance—the Commissioners Accounts analyzed—they are very incorrect indeed—List of Blunders—Vanderburgh's Stone Accounts—Crosses—a Plan for keeping Accounts—Cyrus Rose's Accounts—Keefer and Barrett measure Boyle's Work, and disagree—Rose's Payments—Commissioners omit to charge many Payments made by them—£200 lent the Company—Thomas Merritt's Pier Contract—Blunders in Vanderburgh's Bill—The Commissioners' Contingent Bill—Remarks—Crosses—Vouchers—Work for Lessees of Mills—*1000 *gallons of Whiskey—Appendix containing Original Documents or Copies.*

One of the most interesting statements I can possibly lay before the Province, as an example by which to profit in future, is the account of the expenditure of thirty thousand dollars of the money of Upper Canada, under the superintendence of Commissioners W. B. Robinson, John Macaulay, and Absalom Shade, in the summer of 1833.

Instead of entrusting vast sums of money to individuals wholly irresponsible, and then turning round, when all confidence in them is gone, and employing others equally deficient of checks and accountability, surely, an efficient Board, possessing at once the confidence of the governors and the governed, would be infinitely preferable, when acting under the sanction of a well defined law. Mr. Yates frankly admits that public confidence in the Canal Board was entirely at an end when the Commissioners were appointed. I quote his words:—

Extract of a Letter from Mr. J. B. Yates, of the Firm of Yates & Macintyre, New York, to a Select Committee of the House of Assembly of Upper Canada on the Welland Canal.

"At the end of the year 1832, the Directors again found their funds exhausted, the Company deeply in debt, and without any means or credit to prepare the Canal for the business of the Spring. On this representation, I am told, the most unbounded vituperation was used. Some of their oldest and warmest friends faltered, and nothing more was done than the purchase, on the part of Government, of £7,500 of the remaining capital stock of the Company, on the express condition that this money should be expended under the direction of three Commissioners appointed by the Province; *with such limitation and restrictions, as to imply a Legislative censure on the Board of Directors,* or agent, for misapplication of money—and an engineer was employed to examine and report upon the work. In all this no provision was made for the payment of the debts of the Com-

pany, and its creditors were, in some instances, ruined by procrastination."

On the 13th day of February, 1833, an Act was passed authorizing the Government to subscribe for, and hold as public stock, 600 shares, equal to £7,500, of the Stock of the Welland Canal Company.

It provided that the whole sum should be expended in deepening the Feeder, repairing the Canal, and in defraying the expense of a survey to be made by a competent Engineer. And it appointed Absalom Shade and W. B. Robinson, Esqs., Members of the Legislature, and John Macaulay, Esq., Postmaster at Kingston, and now a Member of the Legislative Council, Commissioners to superintend the said expenditures, and otherwise to carry into effect the intentions of the statute, and authorized them, in conjunction with Samuel Street and David Thorburn, Esqs., to determine the amount of damages done by the Welland Canal Company to individuals holding lands adjoining the navigation, and provided that the award of any three out of these five should be final.

It does not appear that the Board of Arbitrators, thus constituted, ever met to fulfil the duties imposed on them. The Commissioners met at Toronto, on the passing of the Act, and decided that Mr. Shade and Mr. Robinson should inspect the whole line of Canal, which, it is presumed, they did. The Directors of the Company then recommended that one of the Commissioners should give his attendance on the line until the Canal was rendered navigable, and Mr. Robinson, being entrusted with this duty, became the Resident Commissioner.

A Report was made by the Commissioners on the 7th of December, 1833; it is signed by Mr. Macaulay and Mr. Robinson, and forms part of the Appendix to the Assembly's Journal, Session 1833–4, commencing on the 79th page.

The commissioners there state, that "Mr. Robinson had made the necessary contracts and managed the disbursements."

That "a detailed account of the expenditure of the money appropriated by the Act, particularizing its application, would be submitted."

That they had employed Mr. Wright of New York, as the Engineer to survey and examine the canal, and that his report was annexed to theirs.—[It commences at page 81 of the App. to the same vol.] And, as the money, the expenditure of which had been entrusted to them, could not be borrowed at 5 per cent, the difference would have to be made up to the Receiver-General.

MR. ROBINSON'S WAGES FIXED.

Instead of presenting a detailed statement of their expenditure under the Act, and leaving it to the Legislature to judge of its correctness, and of the extent of the remuneration which should be severally made to them for their services—Mr. Macaulay, in a note to their report, mentions that he and Mr. Shade had agreed that out of the monies ordered to be expended on the Canal, $5 a day, should be deducted by Mr. Robinson for his attendance, and it appears that that resolution was acted upon.

A WELLAND CANAL COMMITTEE.

On the 6th of December, 1833, the House of Assembly, after having negatived a motion made by Mr. Perry, that the accounts of the Welland Canal Company, should be laid on the table for the inspection of members, referred them to a Select Committee, composed of Messrs. Burwell, Samson, H. Jones, Berczy and McNeilledge, with authority to summon such documentary evidence as they might think necessary.

This Committee reported about six weeks afterwards, and their report concludes as follows:

"As the Committee had not before it the details of all the sums charged in the several accounts, they could enter into no scrutiny of their correctness; but as, undoubtedly, the whole have been audited by the Commissioners appointed by the Legislature, as well as by the agents of the company, it is presumed no improper expenditure was allowed to pass unnoticed."

The members of the committee were in constant communication with Messrs. Shade and Robinson, two of these commissioners, and with Messrs. Chisholm and Elliott, the Provincial Directors for 1833, all of them being then in the Assembly; and either of these gentlemen could have informed them that the commissioners had neither examined nor audited that expenditure, of the correctness of which, the committee, after enquiry, thus proceeded to declare its ignorance.

The committee appear to have made no enquiry after the details of the expenditure, of that part of the Welland Canal monies, for the year before them, which had been entrusted to Messrs. Macaulay, Shade and Robinson, and these gentlemen did not fulfil their promise made to the Lieutenant Governor several months previous, to submit the details duly audited.

The records of the canal office, show, that on the 20th of March, 1834, Mr. President Merritt thus addressed the commissioners, through Mr. Robinson, for an account of their expenditure.

"The object of this letter, is to request you will make some general statement, shewing the amount of your receipts and expenditures, stating what you now require us to pay, so that we may proceed with authority, and with an understanding. The accounts should first go through the commissioners for approval." &c.

The Commissioners did not render the account of their expenditure as required.

I find that applications were made from time to time to the Board of Directors, for the payment of debts, or balances of debts contracted by the commissioners; and that at a meeting of the Canal Board, held at St. Catharines, on the 6th of November, 1834, at which Messrs. Merritt, Duncombe, Butler, and Chisholm, were present, it was ordered—

"That W. B. Robinson, Esquire, the acting commissioner, be written to for a statement of the expenditure of the £7,500, placed at the disposal of the commissioners, that the same may be entered on the company's books."

The application was made as directed, but the commissioners continued to withhold their accounts from the company notwithstanding.

The first Session of the new Parliament assembled

in January, 1835, but although one of the first of its proceedings was to demand of the Welland Canal Company an account of their receipts and payments, the Commissioners continued to neglect to send the accounts and vouchers promised in their report of 1833.

At a meeting of the Board of Directors, held 2nd of July, 1835, present, Messrs. Merritt (President), McDonell, Butler, Thorburn and Mackenzie; it was ordered,

"That the Secretary be directed to address Lieutenant Colonel Rowan requesting that the original accounts and vouchers of the expenditure of £7,500 granted to the Welland Canal Company in 1833, and expended under the authority of W. B. Robinson, A. Shade, and John Macaulay, Esquires, Commissioners for expending the same, be transmitted to the office of the Company for reference of the Directors, and subject to be returned to the proper office in Toronto—reference to the accounts being necessary in consequence of applications to the Company for various balances due to individuals, contracted over and above the amount of the Parliamentary grant entrusted to them."

Finding that I could not clearly understand certain accounts of 1832 and 1833, without reference to the Leger of the Commissioners, and that the above resolution had not had the desired effect, I addressed Colonel Rowan on the subject, and my letter was enclosed by him to Mr. Robinson.

On the 11th of August, I wrote Mr. Macaulay that Mr. Robinson had promised to send the accounts, but that he had kept them back beyond the period I could have best spared to examine the general expenditure of that year. His reply is annexed.

It appears that he had "been fully impressed with "a belief that the accounts were in the possession of "the Government, and before the Legislature, in "the month of January, 1834;" and that being desirous that a statement of disbursements, supported by regular vouchers, should be appended to their report, as was usual with all public commissions to which he had been a party, he had waited some time after presenting it in December, 1833, for the receipt of some vouchers which Mr. Robinson said he had ordered to be sent to him from St. Catharines, but was at length obliged to return home, "with an "assurance from Mr. Robinson that the accounts "were all correct and regular, and should be got "ready as soon as possible."

Mr. Macaulay is of opinion, that "if the accounts "have been long in possession of the government, "no censure can attach to the commissioner, if the "company should have failed in obtaining a copy of "them. If, on the other hand, no accounts have "yet been rendered, the chief responsibility for this "extraordinary remissness rests with Mr. Robinson. "He (Mr. M.) has however, so much confidence in "that gentleman's honour, and habits of business, as "to believe that he can exonerate himself from the "blame to which as the matter now stands, he would "appear liable."

But is not the charge of "extraordinary remissness" also applicable to the other commissioners?—They were associated with Mr. R. by an Act of Parliament,—every proceeding was taken in their joint names, and with their implied approbation.—They had acted as commissioners—and as such had not failed to demand and obtain payment of their own bills of contingent expenses. Was it not then a duty incumbent on them to account for the money entrusted to them by the country, to examine the charges and see whether they were such as they could justify? Instead of doing so they allowed years to elapse without asking a single question on the subject, and at length, in August, 1835, one of their number transmitted an account of their transactions, which the others had never seen, and which no one will ever be able fully to understand. In this account he determined the term for which he had paid to himself $35 per week, and concluded a letter to the Secretary as follows:

"If the small balance due me can be paid to Mr. "M'Cormick, it will oblige me. I should sooner "have asked for it but always intended going over "to your office myself with the account; thus vari-"ous circumstances prevented."

THE ACCOUNTS.—ERRORS.

How far Mr. Robinson had examined and audited his own accounts or those of the superintendents employed by the commissioners, and how far he could with propriety claim from the company a "small balance" beyond what he had retained in the course of his intromissions, the public will be able to form an opinion from the facts; which are as follows:

1833.

Messrs. Macaulay, Robinson, and Shade, Commissioners, in account with the Welland Canal Company.

Dr.

To cash, the value of 600 shares of the Company's capital stock, placed in their hands to expend on behalf of the Corporation, £7,500.

To sundry items charged twice by them, as per accounts numbered—and to overcharges on the accounts of the superintendents, as per statement numbered three—also to cash paid Mr. Commissioner Robinson's order in favour of Goodenough. [I have not added the amount until W. H. Sanderson, John Moore, N. Robb and others can be examined.]

Cr.

By the commissioners' General Bill of Expenditures, received by Mr. Clark the Secretary, 4th September, 1835, £7500.

By sundry sums paid by them, which they have forgotten to charge in their detailed bill of expenditures.

The difference will be the unexpended balance due the Company.

I perceive by reference to the books of the Welland Canal Company, that they have paid of interest and debts contracted by the commissioners on their account, £316 6 4, but these payments do not affect the above account, and are therefore not included in it.

Mr. Robinson classes his expenditure of the Canal funds as follows:

Payments by S. H. Farnsworth, per his account and annexed receipts,	£2201 11 4½
Payments by J. Donaldson, per do do	657 10 0
Payments by Cyrus, Rose, per do do	678 11 6
Payments by J. Fisk, per receipts	242 10 1
Miscellaneous payments (by Mr. R. himself) per vouchers - - - - - - -	3719 17 0½
	£7500 0 0

No. 1

On comparing Mr. Robinson's miscellaneous payments with the vouchers, it was found that he had charged the following items against the Company twice. *First*, as payments made by Rose, Farnsworth or Donaldson; and a *second* time, as if they had been receipts for money paid by himself, over and above their expenditure.

1. Widow McKeefer, boarding, 12th March, charged to and paid by Donaldson, £12 10 0.

The other $50 should be at Donaldson's credit, and deducted from W. B. R's detailed statement, £12 10.

2. John Toyne, Mar. 9, paid by Donaldson, and charged also, and properly by him, £6 5.

3. Wm. Murray, Mar. 11, do. do. £2 10.

4. Henry McKeefer, Mar. 28, do. do. 10s.

5. John Fisk, Mar. 12, charged in W. B. R's detailed statement as a payment to John Vanderburgh; but the receipt and Fisk's account shew that it was also charged by Mr. Robinson to the Company in his settlement with Fisk, £7 10.

6. Silverthorn—a payment made by Donaldson and charged as per voucher £2.

7. Thomas Merritt, jun.—a charge made in Farnsworth's schedule, Sept. 20, but for which he had no voucher, it being part of £200 paid on piers, and charged by Mr. R. Oct. 16, per receipt, £50.

8. Andrew Thompson, June 14, for 50 yards gravel, paid by Cyrus Rose, and so stated in A. T's general bill, of which Mr. R. paid the balance on the 7th of August £7 0 7½.

9. Carson, Sloan & Co. April 17, were settled with and the balance paid them on a bill of £34 17 5, the whole bill is charged, altho $20 were paid by Donaldson on it, and charged by him £5.

No. 2.

The following sums are to be deducted as overcharges, the same being charged twice in different shapes, in Mr. Robinson's detailed account; as per statement of particulars annexed and numbered 1 to 6.

1. Johnson Orr, do - - - - - - - - -	£ 3 10 0
2. Henry McKeefer, do - - - - - -	2 10 0
3. John Vanderburgh do - - - - - -	75 0 0
4. John ⋈ Shore, do - - - - - - - -	10 0 0
5. Thomas Martindale, do - - - - -	10 0 0
6. And'w Radcliff & Co. do - - - -	12 10 0

I have not yet ascertained the exact amount of the overcharge on several other accounts, Mr. R. having no detailed statements and the parties not having attended to explain until called by the Legislature.

7. James Hands, (doubtful) - - - -	£ 8 8 0
8. David Fleming (doubtful) - - - -	5 0 0

Nos. 7 and 8 I am rather doubtful of, and the accounts of John Moore, Nehemiah Robb, and W. H. Sanderson will require the powers of a committee to bring the parties to testify and shew their books.

No. 3.

Farnsworth's detailed statement of payments amounts to *a less sum* than is charged by the Commissioners, the difference being £104 2 2.

Rose's do. do. do. do. £98 8 1½.

Total £202 10 3½.

Donaldson's detailed statement amounts to more, by £8 14 11½.

Overcharge £193 15 4.

Johnson Orr's accounts in March, April, and May, amount to £49 8 0.

The payments by Mr. R. and Mr. D. to £49 6 5.

There is a separate account dated April 5, and endorsed by Mr. R. April 29, also a receipt of that date as an account £3 10 0.

This money was to pay 4 cwt. superfine flour and 2 cwt. shorts to Geo. Keefer, I have therefore added it as an overcharge.

There is also a receipt of Orr's in November 16, for £12 6 10½, paid him by Farnsworth, "for three several bills" for dredging, &c., but they were not forthcoming, and F. could give no information on the subject: I allowed this bill.

3. H. McKeefer, 43 days assisting Engineer, to 13th May, £10 15 0.

Payments thereon:

9th May, in part, £2 10 0.

13th May, in full, £10 15 0.

Total £13 5 0.

Overcharge by Mr. R. £2 10 0.

4. John Vanderburgh's account for teams, hauling stones, settled April 11th, 1833, is £133 13 2½.

Less, certain accounts paid in detail,	£7 18 2½
(Charged as one payment) . .	125 15 0

But it appears by the vouchers, the time, and Mr. V's statement, that he never received £125 at once; that £50 were paid him on account, 1st April, (by Mr. Clark, in two payments to Mr. R's order) and that there were other partial payments; one of them is also charged by Mr. R., besides the final payment, as follows:

February 25th - - -	£25 0 0
April 1st - - -	50 0 0

Overcharge, £75. (See Mr. Clark's Leger, pages 3 and 10.)

I examined Mr. Vanderburgh himself, respecting this account on 3d October. He says the first payment he ever had of the commissioners, and the first time he saw them, was the above £25, on the 25th of February, in part of the account for hauling stone, which Mr. Robinson settled finally, (11th April;) that a few days after, he also received $50 on account,

on taking the lock contract with Ostrum (see pages 3 and 4 of Mr. Clark's Leger)—that the £50 on 1st of April, was a payment on the account of hauling the stones, and that Mr. Robinson counted these and other previous payments, when he settled with and paid him the balance in his own house, on the 11th April. Mr. Robinson cannot give any account of the matter, except as is shown by the bills. Mr. Vanderburgh says he never received $500 of Mr. Robinson at any one time, as stated in the receipt of April the 11th. The voucher and Mr. Robinson's order of April 1st, mention that the payment was on account of the hauling of the stones. The Commissioners' general account says it was "on account of Locks." The errors in computation, and the extra credits on the payments to Mr. Vanderburgh, are entered in another part of this report.

5. John ⋈ Shore, for completing cribs at Vanderburgh's, charged April 5th, £18 10s.

The receipt is altered from £8 10s.—the order by Farnsworth being £8 10s.; the entries in Mr. Clark's book the same; and the mark by Shore not certified by any witness, £8 10s.—Overcharged £10.

6. Thomas Martindale—his contract, account, and payments are correctly entered, but his bills of labour and board contain a double entry; £10 paid and charged June 1st, being a payment on the account [board included] extended in full, £21 2s. 7½d. June 24th, [See Mr. Clark's book.] £10 additional wages are also charged by Mr. Robinson, same day.—Overcharged £10.

7. A. Radcliff & Co.—Their bill for June, July, &c. [with time lists] amounts to £51 10s. in payment of which John Donaldson paid them [and has charged per voucher left in the Canal Office, 25th August,] £12 10s. Mr. Robinson paid the balance in October and instead of charging the difference, claims for the whole account. This overcharge is £12 10s.

8. James Hands and Erwine, a payment to them in part of J. Fisk's estimate for quarrying stone, and so charged in Mr. Clark's book, page 12, charged also separate by Mr. Robinson, April 18th, £8 8s.

9. There is a payment to D. Flemming, on the same contract, March 12th, which, it appears by Mr. Clark's book, forms part of Fisk's book, quarrying paid by estimate. [See page 12, Clark's Leger, £5.]

DONALDSON'S ACCOUNTS.

The Commissioners charge £657 10 for expenditures under the care of Mr. J. Donaldson, and refer to vouchers. I found three schedules enclosing receipts taken by him, amounting to £494 10 7, and he had paid £75 18 9, the balance of the commissioners' money, into the office of the company. These sums left a deficiency of £87 0 7½, which Mr. Robinson accounted for, by stating, that he had forgotten to enter in the bill of disbursements, and to take a receipt for Mr. Donaldson's wages, and for other $60 paid him for the use of tools. Mr. Donaldson was sent for, and gave the receipt, and charged nearly $40 more for expenditures, for which he had no vouchers, but which seem to have been made, by a reference to his book, which he sent me down on his return home. There was an error in his schedules, P. Tomkins being entered £8 8 11, instead of 8s. 11d., which was checked. I credited Mr. Robinson every disbursement he charged under this head, whether it was vouched for or not.

Mr. Donaldson's book had entries of $25 more, as paid by him to John Toyne, than Mr. Robinson had given him credit for. If these entries be correct, he loses the $25; he had also some other entries, such as $8 paid to Ewers, &c., which are not in his schedules.

One of the receipts sent to the Canal Office mentions places where a variety of tools had been left. I questioned Donaldson about them, for I find that a large aggregate sum is charged for tools and implements. He said "all go off in the Fall," unless there be care taken. I remember that last year, in Toronto, all the tools were returned by adhering to a regular system of entries and receipts of such articles.

The commissioners charge John Donaldson with cash for disbursements, &c. as a superintendant, £657 10s. They support this charge, by reference to three schedules and two receipts amounting to £491 11s. 7 1-2d.

A receipt for Donaldson's services and use of tools, £74 5s.

Repayment to canal company, £75 18s. 9d.

The 2nd $50 of E. M'Keefer's $100 for board, entered in Donaldson's book as a payment made by him, and deducted from commissioners general bill [$80 ⋈ $50 ⋈ $50] £12 10s.—Total £654 5s. 4½d. Deficient £3 4s. 7 1-2d.

But he claims payments without vouchers £9 9s. 7d. to which add a $10 receipt from Aikens.—Assuming this balance to be correct, I have placed it to the credit of the commissioners in addition to their claim, but it is probable that Donaldson has paid in a larger balance at the canal office than he really had in hand, exclusive of Toyne's $25, elsewhere noticed. Some of Donaldson's voucher's are crosses not witnessed—others refer to no particulars of service done or materials furnished. John Beatty received $159 from Donaldson at various times to expend, but there is no voucher for any part of his payments, only a memorandum noting, that he had paid out $109. I admitted the whole account without any other explanation, for this is now the third year, and the memory of laborers in such cases is not good.

WHISKEY.

There is one matter which appears to me to require clearing up, although I have admitted it as the receipts are given in. It is a charge for whiskey of £29 9s. 8d. There is an invoice of four barrels purchased of Mr. Kirkpatrick, of Chippewa, April 1st, by Mrs. Paterson at 3s.—this is charged to the commissioners: then on the 9th there is a purchase of a barrel from Mrs. Paterson by the commissioners at 3s. 6d.—Again, on the 10th, there is another invoice of four barrels in Mrs. Paterson's name at 3s. and that also is charged to the commissioners —*i. e.* nine barrels or 300 gallons in ten days.—There are other large *May* bills for the same liquor, and a purchase at same place of two barrels on the 12th of June. I cannot help thinking that there is some mistake, for the number of men employed could not possibly warrant such whiskey bills under any system.

FARNSWORTH'S ACCOUNTS.

I sent for Farnsworth, who resides in St. Catha-

rines, to explain his accounts, and in some few cases he did so. In a great many instances he appeared to know little or nothing about his receipts and payments—They having been placed in the hands of an innkeeper in Thorold, of the name of Huntly, who took charge of his papers when he was unwell and unable to superintend the workmen. These receipts often refer to vouchers, bills, contracts and estimates which are rarely forthcoming, and it therefore remains a problem resting on the authority of Farnsworth's delegate, whether many of these services were really performed, or whether the parties named ever had a being. It is impossible to cavil at a receipt like the following:

"Received, Aug: 19, 1833 of the Welland Canal "Commissioners, by the hands of J. H. Farnsworth, "one pound nine shillings and half-penny.

"WM. BRADLEY'S ⋈ Cross."

There is no witness, no signature, no time list, no service stated, and as for Farnsworth he told me he knew nothing about it and said the same of many more.

The following receipt of John Boyle, for £24 19s. is accompanied by no explanation or time lists, and Farnsworth had no documents or details to show—Mr. Robinson had none. It is a specimen of a class, and if such accounts be admitted as correct and business like, the control of money is taken from the Commissioners, the Canal Directors and the Legisture, and vested in S. H. Farnsworth, or his deputy, or the deputies of those who may hereafter be similarly situated. John Boyle, and there are two of them, may have done service, but the twelve pieces of job work should be duly enumerated.

"Received, Stone-lock, June 10th, 1833, of the "Welland Canal Commissioners by the hands of S. "H. Farnsworth, twenty-four pounds nineteen shil-"lings and sixpence, it being for twelve pieces of "job work done by me and company.

"JOHN BOYLE."

This is a specimen—vouchers, with bills of particulars, have been deemed superfluous in very many cases, but the whole of the documents will doubtless be submitted to the Legislature where a correct opinion can be formed by those who may inspect them.

The Commissioners, in their Report of December, 1833, speak of Farnsworth as a clever superintendent; and it appears he was paid $21 a-week for months, when he was sick and unable to attend. It was not unreasonable to expect from him that he would explain the errors and ommissions in his account; but when he did attend, he was exceedingly impatient to be off—his explanations were unwillingly given, and his whole demeanour showed a dogged determination to tell as little as he possibly could. Huntly was not sent for; Donaldson, the other superintendent, and Vanderburgh, waited willingly to give all the information in their power.

One of Farnsworth's bills, £8 17s. 1d., (Burns & Bassett) contains a charge of July "15th, cash paid Gilleland, £2 3s. 1 1-2d." No one could inform me what Gilleland did for the money, but I did not deduct the account.

Farnsworth's statement of expenditures, called his cash book, is a document made out at one time by Huntly; the payments are not entered in it regularly as alleged to have been made, but in a confused manner, after the fashion of the Commissioners themselves.

Farnsworth's charge of $20 for tools, is not supported by any voucher, nor did he explain the transaction satisfactorily. I did not, however, deduct the claim.

£15 6s. 5d. were paid by Farnsworth, to John Boyle, 22nd November, for excavating and puddling; and £12 5s. 10d., by his *locum tenens*, Huntly, to Robert Cumming and Alexander M'Donald; October 17, for 82 days' work, 9 days' board and lodging and travelling expenses. The rate of payment, the time when, and the place where the labour was performed, and in the latter case, the nature of the work, are withheld. Farnsworth could tell me nothing more than than he had sent all his papers to Mr. Robinson. Mr. Robinson knew nothing at all about the transactions—and there was the alternative of admitting the receipts or refusing them—investigation in October, 1835, was out of the question. There were many such accounts—I admitted them all.

Crosses by principal, and crosses by deputy are very frequent among the receipts taken by Farnsworth and Huntly—but they are not witnessed, therefore no vouchers. I admitted them, however, in my calculations. On the 24th of October, Huntly manufactures a voucher for $5, to one C. Franks, by adding "for C. Frank, Patty Conly's mark ⋈." On looking over the vouchers, I found (14th May) that Conly writes very well. Why then a mark by Deputy, to be enquired into at this distance of time?

I admitted the following receipt, although no service is specified, but rejected a subsequent charge of £10 for the same person, until a voucher of some kind or other were produced:—

"Received, St. Catharines, Sept. 9th, 1833, from S. H. Farnsworth, on account of the Commissioners of the Welland Canal Company, three pounds currency.

"SILAS ST. JOHN."

S. H. Farnsworth's Accounts.

The Commissioners (see Mr. Robinson's general account) charge for expenditure by Farnsworth, £2,201 11s. 4 1-2d.

But the entries in his book sent to support this charge, which entries he (Farnsworth) declares to be correct, amount but to £2,124 5s. 5 1-2d.

Overcharge, £77 5s. 11d.

There are also the following errors to be deducted:—April 15, Robert Fletcher's receipt, overcharged, £1 5s.

Samuel Sands' board bill, charged twice—13s. 9d.

Henry Ker's bill charged 30s. instead of 20s.—10s.

May 13, Pat Conogan 43s. 9d. for 33s. 9d.—10s.

June 15, Order from M'Chesney, no receipt to E. M'Arthur, £1 12s. 9d.

Sept. 16, Stephen Isles's receipt for 21s. 3d. charged 26s. 3d.—5s.

18, overcharge, Rufus Wright, 2s. 6d.

20, overcharge, John M'Comb's receipt, entered 57s. 6d. instead of 47s. 6d.—10s.

27, charged a payment made to H. B. Ostrum on Fisk's account, on 4th May, twice, namely, 4th May and 27th September. The voucher being for May 4th, £1 10s.

Nov. 13, Wm. J. Steward's bill 24s. N. Y. currency, extended as Halifax currency, error 9s.

10, W. H. Merritt, no voucher, £10.

St. John, no voucher, £10.

L. Dyer, no voucher, £2.—Total, £106 13s. 11d.

Deduct.

May 4, James Bradley's receipt under charged, 8s.

Aug. 14, John Shore's, 3s. 9d.

Nov. 16, John Messmore's, £2.

Nett overcharge by Mr. Robinson, £104 2s. 2d.

Cyrus Rose's Accounts.

At the time the Commissioners determined on their plan of operations, (if any plan or system they ever had) a day book and ledger, placed in the care of some respectable and intelligent youth, (and many such they could have obtained for one hundred pounds during the season) would have rendered their monied transactions less liable to confusion and distrust. They could not have remained ignorant beyond the first month, that Cyrus Rose was a most unfit person to expend and account for $3,300, to be paid to a variety of individuals, in many small sums, from time to time, for labour and materials, the blame, therefore, rests on Rose's employers, and he has had too much employment on the Welland Canal.

Mr. Robinson, when he sent his accounts to Saint Catharines, did not attempt to state in detail, the sums expended by Rose; he sent neither check rolls nor board bills, but left us to classify the receipts and other *memoranda* so as to find out the particulars if we could. He afterwards brought over some of the check rolls and estimates, which we found useful.

Many of Rose's bills and vouchers bear no dates, and only a signature by Rose himself, with a cross without a witness. As to particulars, we were left in general, to guess when, and how, and where the workmen were employed; the receipts in a great number of cases have little or no reference to the monthly accounts made out by some person for Rose; to check such productions is impossible. I held every seeming voucher, no matter how, or when, or where attested, to be good, whether supported by a time list, or a date, or not. I assorted all Rose's vouchers for labour, materials, board contracts, merchant's bills, whiskey, &c.—and the amount was $2,797 69. I directed the clerk to add together the time lists, the November bill, the board and laborers' wages, gravel, miscellaneous items and Rose's wages with Marshall's contract, and the amount, after deducting $75 45 for board and labour paid by Donaldson at Rose's request, was only $2,777 88.—The difference between the largest of these sums and the gross sum charged by the Commissioners as payments to Rose was placed to the debit of Mr. Robinson, being much more than he had a right to claim from such vouchers as he produced. Mr. Robinson having stated that he had left the frontier at the end of October, and the check rolls and other memoranda for his two last charges of $234 03 and $152 61, for board and labour at the Grand River after the 16th of that month, and after the 16th of November, being deficient, I examined the Company's books and it was found that of the first bill, the greater part had been paid by the Corporation in August, 1834, and that the Company had paid the whole of the second through St. John, &c. soon after the work was done! I accordingly disallowed the last bill, which the Commissioners, under the circumstances, ought not to have presented.

Mr. Samuel Keefer was employed by the Commissioners to measure Boyle's and Bradley's contract. He did so in April and found 3,369 yards. Mr. Barrett was next employed and he reported that there was 2,921 yards—the difference was $112,—Mr. Keefer was considered in error, and Boyle and Bradley were paid by the corrected measurements. How much the Company may have lost by the incompetence of some of their surveyors and engineers we never will know, but such facts leave room for unfavorable inferences.

It appears that Mr. Merritt acted in conjunction with the Commissioners in their proceedings. In the contract with Hands & Co. £137 7s. 9d, Samuel Keefer, Engineer, certifies first, it is then written, "Examined and found correct, Wm. H. Merritt, Agent Welland Canal Company." On the back is endorsed an order for the money, and afterwards a receipt by the contractors.

Payments made to Cyrus Rose by the Commissioners and others:

By Mr. Robinson, per his general account, £678 11s. 6d.

By Mr. Donaldson, November 16, £2 10s.—18th. £2 10s. Oct. 10th. £12 10s. 11th, £12 10s.

By Farnsworth, Aug. 1st, £8 5s. Septr. 26th, £25. Nov. 18th, £25.

Amount paid by Mr. Robinson, - - -	678	11	6
Do. by Donaldson & Farnsworth	88	5	0
	766	16	6
Also a payment made by the Welland Canal Company, August, 1834, towards the liquidation of the bills entered 16th Novr. 1833. - - - - - - - -	31	0	0
The Receipts, - - - - - -	797	16	6

THE EXPENDITURE.

To 16th Nov., 1833, per the receipts, bills, vouchers and memoranda sent by Mr. Robinson, $2,797 69, - - - -	699	8	5
Overcharge, - - - - - -	98	8	1

OMISSIONS OF PAYMENTS MADE.

The following items are to be added to Mr. Robinson's detailed account, being payments made by him to many persons and not charged in the Com-

missioner's account, and for other errors in his favour:

1. Wm. Milburn's receipt, May 8th, short entered 5s. 5d.

2. Hiram Slate's receipt, May 17th, St. Catharine's post office, 8s. 2d.

3. Thomas Merritt, junior, admits in his general account the payment by Mr. Robinson of $100 on 3d May, and $50 for Tench, June, which items I do not find elsewhere charged by Mr. Robinson, 37*l.* 10s.

4. *Alfred Barrett.* I find an order to pay this gentleman 10*l.* in the hand writing of Mr. Robinson, although the services are not stated, and although no charge is made by the commissioners, I presume the payment was made and have therefore credited it.

5. *John Vanderburgh.* There appears to have been paid him for repairs on the locks, to 16th of November, 1833, per contract, over and above the monies charged against him on the books of the Welland Canal, 74*l.*

When the commissioner, Mr. Robinson, came to St. Catharines, last September, he produced a memorandum of Mr. Clark's for 200*l.* lent the Company by a draft on Mr. McCormick in September, 1833, and declared that he really did not know whether he had or had not entered in the commissioners' general bill of disbursements all the payments made by Mr. Clark on their account from that fund. Mr. Clark's accounts are involved in as much confusion and obscurity as those of the commissioners, but I came to the conclusion on a careful investigation that all had not been entered. I think that on a further examination it may be made to appear that Mr. Clark has erroneously charged 20*l.* or 30*l.* to the Canal Company in this account, and should it prove to be so, Mr. Robinson will be entitled to a like credit.

It will have been observed, that $200 charged by Farnsworth in a payment to T. Merritt, junior, and for which there is no voucher, waa deducted from Mr. Robinson's general bill, it having been a part of 200*l.* on piers, for which he gave Mr. Robinson a a receipt on the 16th of October—but as it was paid by Farnsworth, his (F.'s) account is not thereby charged. Farnsworth, on the 16th November, charges 103*l.* 9s. 2d. as paid to T. Merritt, in full of another account; on examining the details of which, I find that 25*l.* of it were paid by Mr. Robinson himself, through Mr. Clark, November 4th. If Mr. Robinson settles with Farnsworth agreeably to the statement exhibited to the Company, that 25*l.* should, undoubtedly, be deducted by him from Farnsworth's bill of payments.

Being associated with Mr. Butler and Mr. Thorburn, as a committee to enquire into the claims of Thomas Merritt, junior, on his Gravelly Bay contract for piers, I carefully compared the payments made that contractor in 1833, through the Company and through Commissioners, with the work done for each, and found that $800 had been paid him in part of that contract by Mr. Robinson out of the funds entrusted to the Commissioners, which sum had never been charged to him (Mr. Merritt) on the Company's books, although paid at the express request of the Board of Directors. Had not Mr. Robinson been carefully questioned on this matter, owing to the wording of one of T. Merritt's receipts to him, the 200*l.* would have been absolutely lost to the Company.

Errors in the Commissioners' accounts which I have not deducted, but would recommend that they be charged to the parties whom Mr. Robinson has overpaid.

1st.—*John Vanderburgh's* account of 11th April, 3 1-2 days of team, $5 1-4, extended $50—error		11	3 9
56 cents extended $5 06—difference,		1	2 6
Another error of		0	1 0
To be charged to J. Vanderburgh,	£12	7	3

2. *Aaron Helmer* received six cwt. superfine flour of Geo. Keefer, 8th October. On the 18th October Mr. Robinson paid 25*l.* 9s. to Helmer in full of his job, without deducting the flour, which Farnsworth paid George Keefer for on the 16th of November. To be charged to Helmer 4*l.* 10s.

Whether the greater part of the charges in the commissioners' account are or are not correctly calculated must remain a matter of doubt for the details are not forthcoming.

CONTINGENT EXPENSES

The contingent expenses of the commissioners and payments to engineers and interest amount to $5,216, viz:

1. Wm. B. Robinson, in the beginning of his bill he enters "paid my own salary for 254 days, at 25s. per day (in part,) 239*l.* 8s. 5d."

254 days at 25s. is 317*l.* 10s. and this would leave a balance of 78*l.* 1s. 7d. due to Mr. Robinson, who in another account charges wages for 31 weeks and 5 days, February to October, 1833, at per week 35 dollars—$1,108; extras $46.

2. S. H. Farnsworth, foreman or superintendent under Mr. Robinson, 36 weeks and 5 days, at per week, $21—$771. Add horse keep, $20; sundry charges $30.

3. John Donaldson, another superintendent under Mr. Robinson, 79 days at $3 per day, $237.

4. John Clark, for keeping accounts, $160.

5. Travelling expenses of Commissioners, $155.

6. Cyrus Rose, superintendent, 8 1-2 months at $30 per month, $255.

7. John Macaulay, commissioner, bill of expenses, $100.

8. Absalom Shade, commissioner's bill of expenses, $73 1-2.

9. Interest paid on loan to Government, $712.

And for engineering:

10. Benjamin Wright, 4 weeks, at per week, $175; $700; premium $14.

11. Sundry postages, $47.

12. G. Keefer, Engineer, 20 days at $3; $60.

13. Samuel Keefer, assistant engineer, 27 days at $2 1-2; $67 1-2.

14. Alfred Barrett, Engineer, $44.

And for Whiskey, about a thousand gallons, $500 nearly.

The receipt of Thomas M'Chesney for £100 6s. 6d., dated 27th of May, 1833, is entered in the Commissioners' account as if it had been for £115 6s. 6d. The nett sum paid to M'Chesney I do not know; but as the larger sum appears to have been then due to him, I have made no deduction from the Commissioners' charge.

On adding up all the time lists and charges made by J. Toyne, it was found that they exceeded the payments made him on account by £3 7s. If, however, the $25 which Donaldson has entered in his book as a payment made to Toyne, over and above the claims presented to the Commissioners by him (D.) be a correct entry, it will rather over-balance Toyne's claims, but I have allowed the difference to go to the Commissioners' credit as a surplus until further enquiry be made.

Between the 28th of April and 13th of May, £23 18s. 8d. are charged as payments to R. Hanna, but only £10 5s. are accounted for. It is, therefore, impossible to say whether the first named sums were all paid.

CROSSES.

About a thousand dollars of Mr. Robinson's acknowledgments for money paid, are receipts with the signatures in his own hand writing, and a ⋈ annexed, but no witness subscribing to the payment. These are no vouchers at all, and in most cases they do not even tell when, where, or how the parties were employed; neither the number of days, nor the rate per diem. Mr. Robinson, at this distance of time, recollected nothing about them, and it was impossible to say whether any of the payments were charged in another shape, or whether the charges were correct. In one place there is a Robert ⋈ Coote for £14, (Oct. 23d) and in another £6 3s. 8d. a partial payment to the same person by the name of William Cotes. Wm. MacMurray came forward to receive 56s. 3d. at Port Robinson on the 13th of May, and signed a receipt in a plain legible hand; on the same day, and at the same place, he received 36s. 3d. for John Reynold, and having lost the power of writing, he made his ⋈. Felix Griffin, same day, makes three crosses for three different persons' money; but there is no witness to their marks, nor are we informed what the service was. A £14 11s. 3d. receipt, dated May 13, has the cross and "Richard Johnson" to it, all in Mr. Robinson's writing, and the only explanation is "for work on the Welland Canal." It has evidently been altered, but I know not when. There are many such; but although I could get no explanation, I did not deduct them from the general charges. Mr. Robinson, when he thought proper to do so, called a witness to legalize the crosses. Fisk's vouchers are full of crosses; and I have little faith in them. Mr. Robinson states that $233 of his expenditure in 1833 were paid for work which ought to have been performed by the Lessees of Mills, and ought to be collected from them, namely:

1. Work done at the Floom at Marshville Mill, - - - - - - - - - - - - -	$ 58 08
Carried forward, - - - - -	$ 58 08
Brought forward, - - - - -	$ 58 08
2. Stopping Water at the Floom of Bowery and Butler's Mills, three different times, at an expense of, - - - - - - -	150 00
3. Expense incurred by the Floom breaking at Allanburg Mills, - - - - - - - -	25 00
	$233 08

The mill rents were collected by the Hydraulic Company in 1833; but I do not find that they or the millers reimbursed the Canal Company for one shilling of the above expenditure. The Bowery named here is the person employed to report for the Board of Directors!!!

There are about $600 charged in May, on receipts not attested with a ⋈, in sums from one to ten pounds, or more; but what service the parties rendered, or when, or how, or at what rate, it is probable that no one will ever know. I allowed them all; but with regard to the impropriety of taking such receipts, and then of withholding them until two or three years have elapsed there can be but one opinion. "Received from W. B. Robinson £8 "12s. 6d. in full, for work to this date, Richard Laf- "fan," is a very imperfect voucher to be paid over as money, without explanation years after, to an incorporated Company.

Mr. W. B. Robinson's vouchers, with very few exceptions, were taken in the office or at a stated place, and not on the line of Canal, or in haste. Nearly half his receipts for the year were dated between the 8th and 13th May.

1000 GALLONS WHISKEY.

About a thousand gallons of whiskey are a formidable item of the expenditures of the Parliamentary Commissioners. Three hundred and nineteen galls., or about ten brls., were purchased on one part of the line in the course of ten days, and the receipts are often drawn in so ambiguous terms, as to leave room for the inference that there is more whiskey than appears on the face of the bills. Such unlimited supplies of whiskey must have incapacitated the workmen for the performance of their labour, and surely it afforded a pernicious example. On the line of the Delaware and Chesapeake Canal, the Directors, in their Report, of 1826, speak with unqualified approbation of the spirited, humane, and wise conduct of the managers "in expelling from their borders the pest of tippling shops, which had infested the whole line. These nuisances, by furnishing the pestiferous draught by day and by night, rendered the workmen, not only unfit for labor, but the ready instruments of riot and disorder. When drunk, they frequently fell, exposed for hours, unsheltered, to the rays of the sun, and the evening dews—fever and death were but too often the melancholy consequences." In the Annual Reports of the Ohio and New York Canal Commissioners the practice of temperance is strongly inculcated; and it is now a standing order of the Welland Canal Company to pay no bills presented for intoxicating liquors.

Although this is now the third year since the Commissioners received the proceeds of the 600 shares to expend on the Canal, neither the shares, nor the expenditure of the proceeds are as yet entered on the books of the Company.

Mr. ROBINSON'S MEMORANDUM.

"Thomas Merritt agrees to dredge and clear out "the Lock and between the Piers at Gravelly Bay "to eight feet water, and keep it at that depth dur- "ing the summer for 150*l.* from the running into the "canal above the lock to the lake—also to make a "wing of stone wall each side of the upper end of "the lock, at one dollar per perch."

At a meeting of Directors held at the Parliament Buildings, York, (before Mr. Robinson had exhibited his accounts.)

PRESENT.

WM. HAMILTON MERRITT, Esq.—*President.*
ALEXR. M'DONELL, Esq.—*Vice-President.*
Messieurs Creighton,
Elliott, and
Chisholm.

It was Ordered—That the Board being fully satisfied with the zeal, industry, and ability of Wm. B. Robinson, Esq. the past season as a commissioner on the Welland Canal, they have determined on offering him the situation of agent of the Company at a salary of 400*l.* ber annum, *to include contingent expenses*, for the coming year, if he thinks proper to accept the same.

Mr. Robinson replied that he could not then conveniently close his business at Newmarket.

The following extract of a letter from Mr. Robinson, dated at Newmarket, 8th April, 1834, shews that he repented not having taken the agency: He says "times are so dull that I almost regret not having accepted your offer at the canal—I shall put all things in order, and be ready for any good thing next year."

It appears that no member of the House of Assembly, cognizant of the transactions of 1833, thought it expedient to insist last winter that Messrs. Robinson and Macaulay should exhibit their accounts.

CANAL POLITICS.

The commissioners in their character of Arbitrators, gave no assistance to the settlers whose lands had been injured and wrested from them by violence by the canal agents. Indeed the commissioners could never be brought to meet to hear their complaints—when one could come another either would not or could not. The Canal Company most unjustly authorised the contractors to enter upon people's lands without having first compensated them. I have shewn by the letters hereto appended that both Mr. Robinson and Mr. Macaulay's correspondence is well spiced with politics.

When the Welland Canal Company were organized in 1834, General Beach, of Rochester, and Messrs. S. Ward and Alfred Hovey, of Montezuma, became extensive contractors—and the two latter subscribed largely for stock. After they had done work to the value of 45,357*l.* 12s. 1d. proceedings were taken against them which many thought harsh, and which we elsewhere state at length. Mr. Ward died of a broken heart, and Mr. Hovey's sufferings we have described in the *Advocate* of former years. They were supplanted by Mr. Oliver Phelps, whom they had invited into the country,—Chief Justice Robinson was then a Canal Director, and he laid down a rule by which a settlement ought to be made with Messrs. Hovey and Ward, which was as follows:

CHIEF JUSTICE ROBINSON'S RULE.

(Office Copy.)

The Company cannot settle with Hovey, Ward, and Smith until they have an account furnished shewing under one view, all the transactions between them and the Company. This account must contain on one side all the work done and every item, (without regard to the balances ascertained by former statements) that makes the Company debtor to those contractors, and on the other every payment, and every other item that ought to go to the Company's credit, so that such general account may exhibit without reference to other accounts, not only the actual balance but the particulars from which it results, and the vouchers supporting it, must be collected and exhibited at the same time."

"This account also must be proved by its corresponding with a general balance sheet of the Company carried up to the same time and its correctness must be vouched for by the signatures of the Secretary, Agent and Engineer, and no items should be inserted in the account on either side of which the allowance and the account have not been perfectly settled."

"Every matter on either side which remains yet to be determined must be submitted on a separate statement as totally distinct from the general account."

LETTER.

COL. ROWAN TO W. L. MACKENZIE, ESQ.

GOVERNMENT HOUSE,
Toronto, 12th August, 1835.

SIR,

I have to acquaint you that your communication of the 10th instant has been referred to Mr. William Robinson, one of the commissioners appointed by the 3d Will. 4th chap. 55, to superintend the expenditure of a sum of money on the Welland Canal. No information has been received at this office respecting the purchase of a Steam Dredging Machine.

I am, &c.
WM. ROWAN.

W. L. MACKENZIE, Esq.
St. Catharines.

LETTER.

JOHN MACAULAY, ESQUIRE, TO WM. L. MACKENZIE, ESQ.

Kingston, 17th August, 1835.

SIR,

It was not without assonishmen tthat I received on Saturday last your letter dated at the Welland Canal office, on the 12th inst. in which you state that although every effort had been made to obtain the details and vouchers for the expenditure on the Welland Canal made by the commissioners under the statute of

3d Will. 4th chap. 55, yet up to the time of writing, the Company and the country were alike ignorant concerning the matter. You also express your surprise that the commissioners on the Welland Canal should have so long been the cause of impairing the Company's means of settling accounts in full, by withholding essential statements to which the public were early entitled, and which are essentially necessary to the Company for an understanding of what has been done with the proceeds of 600 shares of their own capital stock. You also add, that Mr. Robinson, one of the commissioners, has promised to send you the accounts, he nevertheless keeps them back beyond the period at which as one of the Provincial Directors of the Welland Canal, it would be convenient for you to examine them.

This communication I beg to repeat, has excited my astonishment. I have been fully impressed with a belief that the accounts which the commissioners are charged with having *withheld* were in the possession of the Government, and before the Legislature in the month of January, 1834—I must now infer that such has not been the fact, otherwise instead of addressing the Commissioners for copies of the accounts, you or the Company, would have at once applied for them to the Executive Government and obtained them.

By reference to the report made to the Lieutenant Governor, on 7th December, 1833, it will be seen that Mr. Shade, the first named commissioner was absent from Toronto at the time when Mr. W. Robinson and myself the other two commissioners, met and prepared that document. You will observe it stated in the concluding paragraph of the report that a detailed account of the expenditure of the money appropriated by the act particularizing its application, would be submitted, I was desirous that a statement of disbursements, supported by regular vouchers should be appended to our report, as usual in all the public commissions to which I was named as a party. Mr. Robinson who alone has managed the pecuniary transactions of the Board, and acted during the season as resident superintending commissioner on the line of the Welland Canal, had not in his possession all the requisite vouchers, but informed me that he had requested their transmission to him from St. Catharines. After waiting some time for the receipt from that quarter of such vouchers as were deficient, I was obliged to return home, with an assurance from Mr. Robinson that the accounts were all correct and regular and should be got ready as soon as possible. Satisfied with this assurance and supposing that the Legislature would receive and examine the accounts before the prorogation. I have from that period absolutely and entirely dismissed the subject from my thoughts.

Since the Company however, through you as one of their Directors, complain of the failure of their efforts to obtain copies of the accounts—I shall not rest until I learn the actual situation of the accounts —I shall immediately address my late associate, Mr. Robinson, and if the accounts have not been yet transmitted to the office of the Lieutenant Governor, I shall urge the necessity of instant attention to this duty. If the accounts have been long in the possession of the government, no censure can attach to the commissioners, if the Company should have failed in obtaining a copy of them. If on the other hand, no accounts have yet been rendered, the chief responsibility for this extraordinary remissness rests with Mr. Robinson. I have however so much confidence in that gentleman's honor, and habits of business, as to believe that he can exhonorate himself from the blame to which as the matter now stands, he would appear liable.

I am,
Sir,
Your very obedient
Humble Servant,
JOHN MACAULAY.

I replied to the above letter by enclosing copy of Col. Rowan's letter to Mr. President Merritt, and Mr. Robinson's letter to Col. Rowan, and by referring to the times at which in 1834 and 1835, the Company had agreed to resolutions asking for the details of the expenditure.

LETTER.

JOHN MACAULAY, Esquire, to WILLIAM HAMILTON MERRITT, Esq.

Dear Sir,

I have recently had some correspondence with W. L. Mackenzie, Esq. (a Director of the Welland Canal appointed by the Legislature on the behalf of the Province) respecting the accounts of the commissioners who expended £7,500 of the public money on the canal in the year 1833—and in consequence thereof, have enquired of Mr. Robinson, my associate in the commission, the cause of the delay which has occurred in submitting the accounts to the government. Mr. Robinson in a letter dated 25th ulto. informs me that he was engaged in making copies of all the requisite statements and vouchers, and that he would take care that the original documents were at your canal office before the close of the month. I therefore trust that all grounds of complaint on this score have now been done away.

Mr. Mackenzie in his letter of 26th ulto. mentions your having in March, 1834, applied for the accounts to Mr. Robinson on behalf of the Welland Canal Company. I regret that I had not been apprised of this matter at an earlier period. I dislike much that any delay or irregularity in accounting for public monies should occur in any commission in which I am concerned. Mr. Robinson explains how it happened that delay occurred in the present instance.

Please communicate this letter to Mr. Mackenzie, whom I should have addressed instead of you, if I had been certain that my letter would find him at St. Catharines.

I hope the business on the canal continues to improve, and that the locks are in a good state.

I am,
Dear Sir,
Your obd't. servant,
JOHN MACAULAY.

Wm. H. Merritt, Esq.

LETTERS.

WM. B. ROBINSON, ESQUIRE, TO WM. L. MACKENZIE, ESQUIRE.

Newmarket, 15th *September*, 1835.

SIR,

I am in receipt of yours of 11th instant, by yesterday's mail, and regret to learn from you that my accounts prove unsatisfactory. Having just returned home from Penetanguishine after a week's absence—I am much engaged, or I would instantly set off to St. Catharines, with all the papers in my possession relating to the expenditure of the £7,500. As it is, however, you may expect me early on Friday, which, as you remain the whole week, will answer all purposes, I trust.

Your's, &c.

WM. B. ROBINSON.

W. L. Mackenzie, Esq.

Newmarket, 17th *September*, 1835.

SIR,

Since writing to you by yesterday's post, I received a letter by the stage last evening, which obliges me to remain at home till after Saturday. I shall be able to go any day next week, though at great inconvenience to myself—this, however, would not prevent me. You state that both the other members of the Examining Committee are absent. I should much prefer seeing you altogether, and if you will inform me when you meet again, I will attend without fail. In the mean time, I trust no report will be made until I have an opportunity of explaining any thing requiring explanation, as I have no doubt of satisfying the Committee that all the money entrusted to me was expended as intended, and to the best advantage.

Our mail from Toronto is only semi-weekly, arriving here on Mondays and Thursday's. I mention this in case you write, that you may know when I will get the letter—to which I shall pay immediate attention.

Your's, &c.

WM. B. ROBINSON.

Wm. L. Mackenzie, Esq.

LETTER.

WM. L. MACKENZIE, ESQUIRE, TO WM. B. ROBINSON, ESQUIRE.

(OFFICE COPY.)

St. Catharines, Saturday, 18th *Sept.*, 1835.

Wm. B. Robinson, Esq., M. P. P.,
Newmarket.

SIR,

I beg to acknowledge both your letters—that of the 17th came to-day, through Mr. Clark.

Last winter Mr. Merritt in the select committee on the Welland Canal, of which I was not a member, proposed that the House should appoint men who would fairly investigate the canal accounts, and set the question of the expenditure at rest. I was one of those appointed, with the express understanding at the time that I would fairly go into the question of the expenditures, and the Government Directors named me a committee for that purpose. I have been for some time busily employed in that investigation, you are therefore in a mistake in supposing that part of the committee are absent. But there is a special committee of the court of Directors of this canal—Mr. Thorburn, Mr. Butler and myself, upon the accounts of Thomas Merritt, junior—involving an expenditure of $30,000 on which he claims a balance. Now, your accounts with him want (very much want) explanation and clearing up, previous to a settlement with him, and as I have laid over his papers in the hope that you could be here to give that explanation. I am glad there is a probability you will be here early next week.

As to your own accounts, I am satisfied that into a great part of them you have never once looked—and I can satisfy you that it is so when you come over. If you had looked into them, I am sure they could not have taken their present form. Were your accounts to be reported on without the requisite vouchers, contracts, bills, time lists, and other documents referred to in the papers already sent—and with the charges of the same things made once, twice, and even thrice, against the Company—and after all not shewing any thing like the expenditure indicated in the general statement, it would be unpleasant to you, but it would not be unfair, for there has been time sufficient for you to have presented a correct and intelligible statement of expenditure.—But I thought that the candid way, the way I should like to have had followed towards myself was to ask you to come and supply the defect from papers which are or ought to be in your possession. As to other Directors being present, you and I and Mr. Beaton, will go over these papers with far greater ease and much more to the purpose than if all the House of Assembly were present, and the question of the expenditure is, after all to be determined by the facts. If all the Directors were present they could not prove error to be truth nor the reverse. But Mr. Butler and Mr. Thorburn will be at home before you can be over, and they can be sent for when it is your wish. All I want is the facts and surely that you yourself will not deem unfair in a case where three gentlemen whose integrity is unimpeachable were placed by the Legislature in the delicate charge of your commission of 1833.

I have, &c. &c.

W. L. MACKENZIE.

Soon after this, Mr. Robinson came over to St. Catharines, where he remained for some time, and we went into an investigation of his accounts, the results of which I have herein stated.

LETTER

FROM WM. HAMILTON MERRITT, ESQUIRE, TO WM. B. ROBINSON, ESQUIRE.

(OFFICE COPY.)

WELLAND CANAL OFFICE,
St. Catharines, 26th March, 1836.

Wm. B. Robinson, Esq.

MY DEAR SIR,

I have ordered the payment of £178 1s. 7d.,

the amount of interest due on your note in the bank; but, of course, am personally responsible for it, until sanctioned by the Board of Directors. This they will do as a matter of course; but we require from you some statement to lay before them as a document or voucher for their authority. Mr. Farnsworth has sent orders to this office, and says, you have or will authorise it. There is only one or two as yet in small amounts; but Mr. Clark cannot pay them without the sanction of the Board—they meet the first Wednesday in April. The object of this letter is to request you will make some general statement, shewing the amount of your receipts and expenditures; stating what you now require us to pay, so that we may proceed with authority, and with an understanding. The accounts should first go through the Commissioners for approval, but if you think proper, we will pay to Mr. Farnsworth any amount you think necessary; but I certainly think the most proper course would be to pay it to you, and you to him, if there should be debts due. I understand from Mr. Clark the Company has paid the Commissioners what was borrowed. Pray when will you be over; when will it be convenient for you to attend the arbitration; I have written to Mr. M'Aulay to appoint a day. The Canal will be open by the first of April, if the weather continues. I have just returned from Gravelly Bay. Lake Erie is full of ice below Sugar Loaf, but all broke up, and will soon be out. Let me hear from you soon on the subject of our monied matters, as I am desirous to have all those small demands paid up as soon as we can.

Yours, &c.
WM. HAMILTON MERRITT.

Extract from the Minutes of the Board of Directors, of the 5th June, 1834.

At a meeting held at St. Catharines, 5th June, 1834.

PRESENT

WM. HAMILTON MERRITT, Esquire, *President.*

Ogden Creighton.
Charles Duncombe.
Wm. Elliott, and
Wm. Chisholm. } Esquires.

It appears that the minutes of a meeting held at Toronto, stating that Wm. B. Robinson, Esq., declined acting as Agent for the Company, and granting the President £400 per annum, was not regularly entered at the time.

Ordered, That a record of the transaction be now made.

Ordered, That the salary of the late Agent be continued from the 6th June to the 13th July of the past year; his time being occupied in settling claims, attending arbitration and the affairs of the Company generally for a much longer period.

Extract of a Letter from Wm. B. Robinson, Esq., Canal Commissioner, dated Newmarket, 8th April, 1834.

" Times are so dull that I almost regret not having accepted your offer at the Canal. I shall put all things in order, and be ready for any good thing next year."

Extract from the Minutes of the Board of Directors, of the 6th Nov. 1834.

At a meeting held at St. Catharines, 6th November, 1834.

PRESENT

WM. H. MERRITT, Esquire, *President.*

Dr. Duncombe.
Thomas Butler.
Wm. Chisholm. } Esqnires

Ordered, That W. B. Robinson, Esq., the Acting Commissioner, be written to for a statement of the expenditure of the £7,500 placed at the disposal of the Commissioners, that the same may be entered on the Company's books.

LETTER

FROM WM. B. ROBINSON, ESQ., TO WM. HAMILTON MERRITT, ESQ.

(OFFICE COPY.)

Newmarket, 16th July, 1834.

MY DEAR SIR,

By a letter from Mr. M'Aulay, I find that the 3d August is the time appointed for the meeting of the arbitrators, if Mr. Shade and others of us can attend. In reply to him, I stated that later in the month would suit me better, but that if the rest would then attend I would not derange your plans, but attend also. You will, therefore, please inform me of the exact time. I am just getting the cellar of my house laid in stone, and fear I shall hardly finish by 3d, but will attend if *the others do*—not otherwise. About 15th or 20th August would have suited me better. I would wish you to pay the small accounts still due to individuals without delay, and when I come over I can give the authority in any form you may desire. I thank you for the interest you take in my election. Nothing but the same motives which actuate you, would have induced me to come forward. I feel very sure of my return, aud did so before Mr. Hume's celebrated letter made its appearance—that, however, will be in favor of us I think, in all parts of the country. The Townships in my county are—West Gwillimbury, Tecumseth, Adjala, Mono, Tosorontio, Mulmer, Innisfil, Oro, Vespra, Medonte, Orillia, Floss, Tiny, Tay, Thorah, Mara, and several others not settled; I was through the two former Townships on Monday last, and found ALL RIGHT. I hope you and others of the RIGHT SORT feel secure of being returned. ANOTHER FOUR YEARS AND WE MAY LAUGH AT THE RADICALS I THINK. Remember me to Mr. Clark and all friends.

Yours truly,
WM. B. ROBINSON.

Wm. Hamilton Merritt, Esq.
&c. &c. &c.

(OFFICE COPY.)

LETTER

FROM WM. B. ROBINSON, ESQUIRE, TO WM. HAMILTON MERRITT, ESQUIRE.

Newmarket, 14th October, 1834.

DEAR SIR,

I received a letter from Mr. M'Aulay last evening on the subject of the arbitration, which he thinks will take place on the 5th November. I have written to him to say, that having lost so much time with the election, and now having to attend the Assizes as a witness, I really cannot think of leaving home so soon, if at all. I would not go at all events till the last of November, or beginning of December. I am building, and must get my house roofed in before winter.

I had a *very sharp contest*, kept it up till half-past six on Saturday evening, when I was returned by a majority of 22.—YANKEE BEEF and PORK, the WELLAND CANAL, and the EVERLASTING SALARY BILL, were *the principal things* brought *against me* by the Radicals. I made no concessions, said I did not regret one single vote I had given, and would under the same circumstances act in a similar way. *I made no pledges or promises for the future*, but said I would support the Constitution entire—my opponents took Radical ground, and avowed the same principles as Mackenzie and Hume—under these circumstances, my triumph was very satisfactory. I was happy to hear of your success, and hope we may yet have A DECENT HOUSE.

Yours truly,

WM. B. ROBINSON.

WM. H. MERRITT, Esq.
&c. &c &c.

LETTER

FROM HONORABLE JOHN MACAULAY, *Post-Master of Kingston*, TO WILLIAM HAMILTON MERRITT, ESQUIRE, *President of the Welland Canal Company.*

Kingston, 18th Oct. 1834.

MY DEAR SIR,

I learn from Mr. Robinson, that he cannot possibly proceed to the Welland Canal before the latter part of November, which circumstance puts an end to my plan of getting the arbitration settled this fall. I am now ready to act in this matter, and could act at any time until the 10th November, but after that period, it would be requisite for me to proceed to St. Catharines, as well as return by land—a journey considering the season and the roads, that nothing could tempt me to undertake. I must therefore bid adieu to the Welland Canal, and if the other Commissioners do not meet, must only leave it to the new *Radical* House to appoint other persons in our stead.

I congratulate you on your re-election. There will yet be in the House some ten or twelve good men and true, who will not bow the knee to the innovating demon of Radicalism and Revolution.

Yours truly,

JOHN MACAULAY.

WM. H. MERRITT, Esq.

(OFFICE COPY.)

LETTER.

WM. B. ROBINSON, ESQUIRE, TO WM. H. MERRITT, ESQ.

Newmarket, 2nd December, 1834.

W. H. MERRITT, Esq.

MY DEAR SIR,

I had a long chat with Knight yesterday, about the Canal, and am pleased to hear such good accounts of it, both as regards business and the state of repair. If you carry into effect during the winter, all the improvements that he says are intended, the work will be in high order next year. I feel a great desire to run over yet, late as it is, descend the Grand River, and visit the Canal, that I may be able this winter, in case of any discussion on the subject, to speak from personal observation. Do you think either of the works will come before Parliament for assistance in any way? Mr. Fitzburgh writes me that he hears Bidwell, the "King of the Radicals," is already boasting, that the Welland Canal and St. Lawrence, shall receive no further aid. I think nothing will put down that party, but their unvaried opposition to all public improvements—this if the people will permit any thing to *anglue* their eyes, should be sufficient to convince them of their total disregard of the best interests of the country *while under the present Government*. We shall have a stormy useless session I fear, but must do our best to get the necessary public business attended to.—What is your opinion as to the speakership? I hope we can get McLean again or Morris, but fear that Bidwell will be the man after all. I shall send over the copy of account you want in a few days, which please mention to Mr. Clark. You will oblige me by paying Mr. Goodenough, who will call on you, *fifty dollars*, which I will repay you when we meet shortly. The roads are too bad for me to go to town just now—that is, if quite convenient to you.—The low price of produce, and our distance from market, make me almost desire to be among the noise and bustle of your more busy canal again—and if I could only dispose of my property here to tolerable advantage, I would be inclined to accept your last year's offer if *repeated*, with some small addition for travelling expenses.—We have a line for a canal surveyed, to connect Lake Simcoe with Huron, ——— miles, 40 locks of low lift, and a favourable route.—We are also having the levels taken for a Rail-way between this and Toronto. The Engineer is nearly done, and speaks most favorably of the line—no stationary power will be required; probable cost about £80,000. I shall be glad to hear the amount of your receipts, now that the canal is closed.

Yours truly,

WM. B. ROBINSON.

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53. What is there to alledge in support of charge No. 19?—As references of an unfavorable nature relative to Mr. George Keefer, senr., are made in Captain Gordon's letter, addressed through the press to Mr. President Merritt, and hereto annexed, I endeavored to ascertain whether he really had interested himself in money contracts while sitting at the Canal Board as a Director: and it is evident

that he was then a large sub-contractor under Phelps.

On the 2d June, 1826, the ex-President, Keefer, writes, "I have 120,000 feet of timber, cubic measure, got out for Mr. Phelps, and 13,000 feet of ties; GEO. KEEFER."

On the 1st of May, Phelps estimates to Mr. Director Keefer, 20,000 feet of lock timber, $800.

In June, Phelps & Co. gave in no estimate for Mr. Keefer, but Mr. Barrett, the Engineer, supplied the defect as follows:

Mr. Keefer wrote to Mr. Barrett thus:

"Mr. BARRETT, Engineer:

"*Dear Sir,*

"Mr. Phelps called here yesterday while I "was from home, to know how much timber he "should give in for me this estimate, and left word "for me to send it to you this morning to include "with his—I have over 14,000 feet got out since I "gave in before at $35 which I will vouche for "which will amount to about $500 which you will "please include in his Estimate.

"I remain,

"Yours truly,

"GEO. KEEFER."

"*5th June*, 1827.

Mr. Barrett wrote accordingly under Phelps's estimate—

"Esquire Keefer got out 14,000 feet timber at $40, - - - - - - - - - - - $560."

This was a friendly turn done to a contracting Director by his Engineer—Keefer had given in at $35, and estimated 14,000 feet at about $500.—Barrett added $5 per thousand, and thus made his employer $60 richer.

On referring back to Phelps' estimate of the previous month (given in in May) I found that although Keefer had, as he states in his letter to Barrett, estimated his timber at $35, Phelps had used the friendly freedom to add $5, thus extending $800 to Keefer that month in place of $700, which he had required. This I presume he did to enable himself with a better grace to estimate his own at the same rate.—The current price in that part of the country was about $30.

In July, Phelps's estimate for Keefer is 15,000 cubic feet of timber, at $40, and so the Engineer reported.

On 1st August, we have—"Esq. Keefer, 10,000 feet, $400."

In September, we have—"Add for Esquire Keefer, $250."

In October—"Esquire Keefer's bill of timber, $200."

In December—"Esquire Keefer's bill of timber, $400."

In March, 1828—"Due Esquire Keefer, $1,000"

In the May bill—"Timber of Esquire Keefer, $400."

In June—"Esquire Keefer's timber, $400."

In September, Phelps writes Barrett that Keefer's claim for timber, was about $1200, and in the November estimates the Engineer enters $600 for him.

So it would seem that in 1826-7, Mr. Keefer sat as a Director to pass upon Oliver Phelps' accounts, in which he was thus personally interested to the amount of at least twelve or fifteen thousand dollars!!

[The Company's accounts, in proof of this, and the original letter wanted.]

54. What have you to offer in support of your 13th charge?—When Mr. Black retired from the Secretaryship in June, 1832, he was succeeded by Mr. President Merritt, who contracted officially as such with Thomas Merritt, junior: for the harbor in September of that year.

At a meeting of the Canal Board at St. Catharines, on the 7th and 8th of October last, the following proceedings were had, on the report I this day submit to you:

"The select committee on the accounts of Thomas Merritt, junior, presented their report, which was read," and it was "*Resolved*—That the report be received and laid over for future consideration, and that Mr. Hall and Mr. Thorburn be requested forthwith to proceed to Gravelly Bay and enquire fully into the system under which the check rolls, time lists and bills of labor and materials have been compiled and warranted for the last 12 months: that Mr. Thomas Merritt, junr. be requested to transmit to this office for examination the books in which his accounts with this Company, for such time and labor were kept, and for the work done for Mr. Robinson in 1833."

The minutes of the canal board are the only official day book kept, but although they shew that a supply of money from Mr. Robinson, was the condition of T. Merritt's continuance in the summer of 1833, that contractor is actually allowed interest in the Company's books on the £200 the commissioner had paid him, and the money is paid him over again out of the loan of 1834!!—An attempt was made to get an order that he be paid the balance in this way, but I steadily resisted it, and being supported by Messrs. Thorburn and Butler, got the accounts referred to a special committee, whose report is in the Company's possession, and is as follows:

TO THE PRESIDENT AND DIRECTORS OF THE WELLAND CANAL COMPANY.

The Special Committee appointed to examine and report upon the accounts of Thomas Merritt, Jun., of Gravelly Bay, and concerning the balances that may be due thereon, have completed their investigation, and respectfully submit for the consideration of the Board, the following statements as a final report:—

The Committee have found it necessary, to a complete understanding of Mr. Merritt's accounts, to review the several monied transactions between him and the Company since January, 1832, the year in which his contract at Gravelly Bay had its commencement.

In September that year, Lewis, Garrison & Little were discharged from the further prosecution of the improvements contemplated by the Company at the Lock and Harbor of Gravelly Bay, and the work

they had begun was given to Thomas Merritt, Marshall Lewis, and Sloan & Clinton. It does not appear that the contract was publicly advertised and offered to general competition. Mr. Geo. Keefer, the Engineer, who drew it up, states that it was not advertised in any of the newspapers of the District or Province, but that notices were written and circulated along the line, and put up in the Canal Office.

The specification for the work is dated the 15th September, 1832, and signed by Lewis and Ostrom, two of the persons proposing to contract for it. The competitors appear to have been Thomas Merritt, Jun., & Co., September 14, and Thomas Merritt, Jun., & Co., September 17,—a different proposal—and Mr. Merritt's foreman, H. B. Ostrom.

The contract is a very informal document, dated at Gravelly Bay in September, 1832, but the day of the month left blank; it would appear that when it was drawn out and signed, the Canal Company did not know who all the parties were, for the names Sloan and Clinton are subscribed at the foot, but are not to be found in the body of the instrument, blanks being left instead. No security is taken, no bond or penalty is mentioned, neither the President nor Vice-President's signatures are appended, nor the seal of the Company, as was usual and right, nor any seal of any person whatever.

Mr. W. H. Merritt signs on behalf of the Company as its Secretary; and there is a standing order of the Board of the 10th of May, 1828, present Messrs. Dunn, Wells, Robinson, Keefer, and H. J. Boulton, "that the Board will not consider itself "bound by any contract, which the Agent or Secre- "tary may make, until it has received the sanction "of the Board."

This contract was to complete the Lock and Harbor, and build as many piers as might be required—the piers were to be completed in July, 1833, and the harbor in September following.

A great many very important things required to be done, in order to complete the contract, were omitted to be inserted in it by the Engineer, and being also omitted in the specification, are charged as day-work, to a large amount. These matters if forgotten in the first contract, might have been placed in a subsequent one, for it is not prudent to have the contractor employing many men by the day and charging work in that way, in the same place and at the same time and on the same work he is engaged to do under a special agreement.

The contract concludes by a declaration that Mr. T. Merritt was the only partner who was authorized to receive the money to be drawn from the Canal Company under it, "in witness whereof the parties have hereunto set their hands the day and year first above written." Now it so happens that there was no one day in the year, 1832, written above that declaration, which is witnessed by George Keefer, Jun."

Mr. Keefer informs us that Thomas Merritt, Jun., & Co. failed, like their predecessors, to fulfil their engagements—that they were dispossessed—and that the whole work was again re-let to Thomas Merritt, Jun., one of their number, again without penalty, bond or security, and without any particular month or year having been agreed on for its completion.

We do not find that Mr. Merritt entered into any specific engagement to complete these or any other works under the contract which himself and his associates had thus forfeited, or that any deductions were made from the payments made to his partnership concern by the Canal Board; the Board changed its plans from time to time with regard to the piers, and before the completion of the contract the lock was ordered to be lengthened by day labour at a great expense, and by the same contractor too, before his work was taken off his hands.

No new contract was made with Mr. T. Merritt; the omissions in the former one were not supplied—but on the 20th day of July, 1833, he wrote a letter to the President and Directors, declaring his willingness to continue the work on certain conditions, one of which was—"I will endeavour to sink the whole "of the Western Pier, where it may be pointed out "this season, and continue the work at my own "risk,"

The Board agreed that he should so continue, provided the Canal Commissioners would advance him money to enable him to build the Piers, and they applied to Mr. Robinson, the Acting Commissioner, to advance £375, on the provisional understanding thus entered into.

Mr. Robinson has shewn us that he advanced, first $100, then $800, but that $100 of these advances were taken for other purposes, copy of Mr. T. Merritt's receipts for these monies are hereto annexed, and the bills and settlements he made with Mr. Robinson detail the transactions. Two hundred pounds ought to have been charged Mr. Merritt on his Pier contract, in the Company's books, October, 1833. Yet no such charge appears to have been made, nor has that sum been deducted from his estimates on other work. His bill for work done to the order of the Commissioners, 1833, and shewing the payments made to him, were forwarded to this office by Mr. Robinson last September.

Mr. T. Merritt's letter in July, and its acceptance as recorded on the minutes of the Board, is a very questionable substitute for a contract duly defined and specified, although under it works to the amount of many thousand dollars have been paid, but we find no other.

Three months after the date of Mr. Merritt's letter, engaging to continue the work on his own risk, he came forward and demanded $1,070 from the Company for damage alleged to have been sustained in a gale on the 17th October, 1833, in which he had lost four scows, worth $380, nine thousand seven hundred feet of timber missing, and 50 cords of stone swept off the piers. The Board paid him the $1,070 without deduction.

Encouraged by this success, another application was made for $308 98 as compensation for damages caused by the gale of January 2d, 1834; Ostrum, Fisk, Cary and McChesney certified as follows:—"We, the undersigned inhabitants of Port Col- "borne, certify that we believe the above statement "to be correct, having been on the spot at the time "and before the gale, H. B. Ostrum and J. Fisk "are positive in the loss, having measured and "counted the whole."

The Board refused to make an allowance on this certificate, and Mr. Keefer the engineer, was directed to measure the work, which he did, and found that 400 feet only were missing, although Fisk and Ostrum had certified to 1200 feet on their previous measurement.

We find that Ostrum certified a second time to the correctness of the 400 feet measurement although he had declared before that he knew it was 1200.

Fisk and he are the principal witnesses to the former claim for alleged damage, and probably on equally strong grounds.

Mr. Hall's statement of this date, indicates an organized system of overcharge at Gravelly Bay; it was not, perhaps, without good reason that Mr. Commissioner Robinson wrote Mr. Merritt, 13th March, 1833, "I have not much faith in Fisk."

Mr. Merritt's offer of taking the risque is not unusual. The Ohio Canal Commissioners, in their report for 1832, declare that it is a rule on their line that "all work of every description is to be consid-" ered at the risque of the contractor, until his whole " job shall be finished and accepted, the contractor " having no right to demand that any part of his " work shall be estimated, until the completion of all " the work contained in the contract." A very different course appears to have been pursued towards Mr. T. Merritt.

We find that in 1833, Mr. Merritt was at one and the same time, contractor for the lock, piers, and Harbor at Gravelly Bay, lock-keeper at that lock, at $20 per month, engaged in fulfilling an agreement for dredging with the canal commissioners to the value of $600, and employed with his labourers and teams on job work by the day, all at the same place, besides being concerned in the light house pier with T. McChesney. So many different engagements as this, ought not to be entered into with one man; it looks like favoritism, and is not calculated to promote the welfare of the canal.

Contractors should not be superintendants, lock-keepers, and overseers by the day, at one time and place.

Since January, 1832, nearly fifty thousand dollars have been paid Thomas Merritt, for labour and materials, as contractor or superintendent of work on the canal. His Gravelly Bay estimate is about $15,000; the Commissioners paid him about $2000 in 1833. He has received on the Berm Bank Job unfinished, nearly $3600; on the light house pier and light house about $4000, on sections 8 and 9, new route $, as lock-keeper $120, for work at Broad Creek nearly $900, besides large sums on a variety of other bills and contracts, and for day labour. The lock and piers; including the light house at Gravelly Bay have already cost upwards of $40,000

The light house pier appears to have cost $3000, and the light house itself nearly $2,500.

Mr. Thomas Merritt, charges for dredging sand out of the lock and lock entrance at Gravelly Bay, besides the dredging done by Lewis, Garrison and Little, the original contractors, as follows:

Labour previous to Novem. 1832, ...	$710
do to July, 1833, ...	277
do to do. 1834, ...	578
do to August, "	360
do to do. "	50

There are numerous other charges of a similar nature, besides the sum of $600 paid in 1833 by the commissioners.

For about $1000 value in labour and materials, there are no certificates of any kind. The bills and check rolls are made out by Fisk, but in many cases they afford little or no information relative to labour performed, end services rendered.

Fisk is a person of intemperate habits, he likewise introduces himself, occasionally, into the check rolls as a labourer on the dredging machine, at 12 shillings per day, and 10 shillings per night. We see no reason to make any alteration in the decision of the board, made at a former sitting, relative to the price to be allowed for spikes and iron work, in charges not covered by the contract of September, 1832.—H. B. Ostrum, is entered in the Company's time lists drawn out by Fisk and certified by Mr. Black, and said Ostrum, as a lock-keeper at Gravelly Bay, receiving $30 per month, or one dollar per day for attending a single lock, through which, probably, not more than two or three vessels pass one day with another. How he can act in this capacity, and also appear on the check rolls, as working day's work at $2 per day, 7½ days in June 1835, 9½ days in July, 7 days in August, and 23 days in September, is only to be accounted for by referring to Mr. Hall's explanation, by which it appears that if 7 men do some work on a wet day, the toll-collector and Ostrum are ready to certify that hard labour on that day was performed, by at least fourteen persons, many of whom are absent when the rolls are to be signed, and the most of those others, only able to make their marks. Ostrum, as lock-keeper receives a third more wages than were allowed to Thomas Merritt in 1833, although the duties could be easily performed by any intelligent and able-bodied laborer, at the former price. If Ostrum opens and shuts his lock by deputy, the deputy at a fair price should be made lock-keeper if he be a proper person.

The Welland Canal Company,

To Thomas Merritt, Jun'r. *Dr.*

1835.	$	cts.
August 31.		
To Engineer's estimate of this date,	3443	20
Cr.		
By error in Engineer's additions of estimate, ...	10	0
By the amount of two receipts, one for $100, and one for $800, given by T. Merritt to Mr. Robinson, for monies paid him on the 16th Aug. and 17th Oct. 1833, on account of his contract for piers at Gravelly Bay, less $100 applied to another work, by permission of Mr. Robinson, ...	800	0
By interest, over rated on £200 for 8 months, ...	32	0
By errors in the calculations of sections 8 and 9, new route finished by Thos. Merritt, jr. per statement annexed, and numbered 3, ...	291	59
By errors, credit of Monson's forfeited		
Carried forward, ...	1133	59

Brought forward, ...	1133	59
reserve, not authorised by the minute of the Board; see statement No. 3,	79	25
By cash recommended to be paid Thos. Merritt by this committee, . .	1000	0
By over credit on general estimate of Nov. 1832 (see annexed explanation No. 1.)	44	90
By overcharge 266 yards dredging in Mr. Keefer's estimate of July 28th 1833, as per statement No. 2, . .	266	0
By reserve in estimate for planking, not done altho' included in last return, .	200	0
	2723	74
Balance, ...	8719	46

And it is probable that when the Books of Account have been thoroughly examined, other errors will be discovered, which have as yet escaped investigation.

We return 8719 46 as the sum due Thomas Merritt by this company up to the 31st August, 1835, instead of 83443 20, the sum claimed; the deductions from which latter sum ought to be 82723 74, unless it be shewn that there are apparent errors noticed by us, for which a satisfactory explanation can be afforded.

NO. 1.

	£	s.	d.	£.	s.	d.
The amount of the general estimate in favor of Thomas Merritt for Gravelly Bay and sections 8 and 9, is . .				3026	5	10
Less the sum of former estimates in part of the same contracts previously at his credit, .	508	15	5			
And sundry other payments entered in page 225 of the journal, as having been made on his account by W. H. Merritt, the sum of which is not entered in the Leger (May 1833.)	75	1	9	583	17	2
				2442	8	8
The sum entered to Mr. T. Merritt's credit on the November general estimate (Leger p. 360,) is				2453	13	2
This excess of credit must be deducted from the balance due T. M. unless it can be accounted for, and proved to be a correct entry.				11	4	6

The practice of deducting monies from the general estimate, without allowing them to appear in the Leger is improper; the full amount of work done, and of payments made, should appear under the contractor's name.

NO. 2.

Mr. Robinson contracted with Thomas Merritt early in the summer of 1833, to dredge and clear out the Lock at Gravelly Bay, and between the Piers to 8 feet of water, and to keep it at that depth during the summer for $600, which Mr. Robinson paid him on the 25th of June, in that year. Within a month after he got this money, Mr. Merritt came forward with a claim for $266 more, for 266 cubic yards of dredging. We have disallowed it, and hereto subjoin Mr. Robinson's memorandum of his agreement with Merritt. The wings of stone wall above the lock, were made and charged separately.

Mr. ROBINSON'S MEMORANDUM.

"Thomas Merritt agrees to dredge and clear out "the Lock and between the Piers at Gravelly Bay to "8 feet water, and keep it at that depth during the "summer for £150, from the running into the canal "above the lock to the lake, also to make a wing of "stone wall each side of the upper end of the lock, "at one dollar per perch."

Mr. Keefer states, that when he made out the estimate of July he had no knowledge of the agreement with Mr. Robinson, and that he had never seen it until now.

NO. 3.

In examining the details of Sections 8 and 9, Gravelly Bay route, we find—

1st. That they were let to H. N. Monson, of St. Catharines, on the 3d day of June, 1831, at 12 cents per cubic yard for excavation on No. 8, and 12 1-2 on No. 9.

2nd. That the contractor agreed to complete his contract for the above, and three other sections, by the 1st of April, 1832.

3rd. That the penalty for non-performance of this contract was only £100, although it includes labor of the value of many thousand dollars.

4th. That after Mr. Monson had excavated 2,830 yards on Section 8, and 1,950 yards on Section 9, at the above prices, these Sections were taken from him and given to Thomas Merritt, junr.

5th. That the penalty of £100 was not exacted from Mr. Monson.

6th. That the Board of Directors, at a meeting held 2d February, 1832, (present Messrs. McDonell, Butler, and Randal,) certify in the minutes that an agreement had been entered into with Thomas Merritt, junr. at 13 cents for excavation on these sections. But your committee can find no such document, and the President thinks there was none written.

7th. That it appears by the estimate book, page, 4 that the original number of yards of excavation on No. 9, is 21,988, of which only 165 yards are deducted from Mr. Thomas Merritt's amount, as having been done by Monson, although 1,950 yards had been previously allowed to Monson, and that the original number of yards of excavation on No. 8 is 18,484, for which Thomas Merritt is paid at 13 cents, less only 2,372 yards, although Monson is shewn to have excavated and been paid before for 2,830 yards on that same section.

8th. That the first estimate of the whole excavation of No. 9, was 19,401 yards, and of No. 8, 14,968 yards. The final estimate to Merritt on both is 40,472 yards, shewing an increased quantity of 6,103 cubic yards over and above an allowance of 945 yards, for four feet extra width on five stations.

Monson excavated and was paid for 4,780 yards of the whole, and Merritt was paid a second time for 2,243 yards of the excavation done by Monson.—For 4,780, less 2,537, = 2,243. The sum thus overpaid is (2,243 × 13 cents) = $291 59.

9th. That if Merritt was paid for the work he did on Sections 8 and 9, at an increased price without any written agreement, and without any penalty or stipulation as to time of doing a certain quantity of work, he was not entitled to the reserved fourth, on any part of the work which Monson had contracted for and forfeited. Yet in page 5 of the Book of estimates passed 28th February, 1833, (and of which the original is missing) there is a credit to Thomas Merritt, as follows:

"Allow one quarter reserve from Monson on 2,537 = 634 yards at 12 1-2 cents = $79 25."

This charge appears to have been uncalled for under the circumstances we have stated.

10th. That in a work of such importance, a specific agreement in writing ought to have been entered into with the excavator, including the items of grubbing, ditching, chopping, embankment, &c. If this was held necessary in the agreement with Monson, so was it with Merritt,—yet it seems not to have been done in the latter case.

We have asked Mr. Keefer, why the forfeited reserve by Monson was paid to Merritt with an encreased price, the minutes of the Board giving no such directions. He states he does not remember, and that until Mr. Barrett shall arrive he cannot shew why the work done by Monson, and estimated by him, is not deducted from the estimate of Nov. 1832, allowed to Merritt.

The records of the office afford no explanation of this matter.

Mr. Keefer imagines that the difference may in some degree be accounted for by the supposition, that the work done by Monson, surveyed by Mr. Barrett from time to time and admitted to be correct and right, was out of the line. If so, it should have been so stated in the estimate and the causes explained to the Board at the time the transaction took place.

NO. 4.

We now proceed to notice the latter bills given in by Mr. Merritt for day labour at gravelly Bay.

They are as follows:

1st June—Check Roll, - - - -	$156 15
2nd July— do. do. - - - -	157 35
3rd Aug.— do. do. - - - -	139 23
4th Sept.— do. do. - - - -	309 70
	$762 43

Mr. Black the Superintendent, and Mr. Ostrum the Lock-keeper, certify, that in *June*, the labour was "excavating and levelling about the canal office, cutting and hauling brush, building brush piers and setting snubbing posts about the basin." In July, "making brush piers, framing timber for same and filling them with stone, and hauling brush and timber to the canal." In August, "cutting brush, scowing stone, and building brush pier." And in September they say, "brush piers and ditch for waste wear is the principal work for this month."

Mr. Black, the Superintendent at Gravelly Bay, is engaged but a small part of his time in attending to the duties of his collectorship; he has both time and opportunity to detect false returns by personal observation, as to the number of persons employed, and with regard to their being diligent at their work and employed usefully. The appearance of the work done, as compared with the time lists, gave reason for a suspicion that Mr. Black was not so careful to perform this important duty as he ought to have been, although his instructions are very full and explicit.

The personal observation of Mr. Hall, the Engineer, tends to confirm this impression. His memoranda relative to Gravelly Bay which he visited lately, are as follow:

"*Memoranda respecting Gravelly Bay.*

"When examining Mr. T. Merritt's time list for "the month of September last, I observed ten men "marked for the 21st and fourteen for the 22d. Upon "those days the numbers employed, were five for the "21st, and seven for the 22nd—the reason assigned "for the small number of men the first day, was, "that they had probably got tipsy upon the previous "Sunday. The 22d it rained all the morning, and "labourers could not work to advantage. Upon a "review of the work done for the Company at Gra-"velly Bay, since the 7th day of July last, I ob-"served only some advance upon the brush pier, "probable expense about $100, to be tested by "measurement, and some trifling work upon back "drains, to the extent of fifteen or twenty dollars."

It thus appears to be Mr. Hall's impression, that all the work lately done by Mr. Merrit by day labor, and for which nearly $600 are charged since July 7, is only worth about $100. He informs us that the labor for which about $600 are thus charged, would, in his opinion, have been accomplished by Townsend the contractor at the Grand River, for about $100.

We are of opinion that any balance which may appear to be due to Mr. T. Merritt, on the engineer's estimate, should remain unpaid until the next meeting of this Board, subject to the report that may be made upon a full enquiry properly instituted at the harbor, relative to the system on which check rolls and time lists have been drawn up during the last three years.

We find that the check rolls are in very many cases supported only by the crosses of the persons entered on them; that in other instances these workmen are declared gone, or absent; and that the almost continual witness to the payments made and to every thing else, is that very doubtful authority "John Fisk."

To a bill of $4,551 73, for labor and materials, up to May last, credited to Mr. Merritt, the official certificate of Mr. Black is not attached, but in its place we have that of "John Fisk," Mr. Merritt's Clerk. If it should be determined by the Board to institute an enquiry, this $4,051 73 account ought to be included, so that the entries on which it is founded might be duly checked, *if it be possible.*

Mr. Merritt was written to some time ago to attend at this office with his books of account, but he has not yet complied with that request. The Board might perhaps induce him to do so.

By withholding the small balance which appears to us to be properly at Mr. Merritt's credit, until an investigation has taken place, and his books been checked, no injury will be done him. His contract

for the Berm Bank ought to have been fulfilled by the 1st day of April last, and although it is very far from fulfilment, and has been but once estimated by the Engineer, he received the full amount estimated in May, without the reservation having been made which is usual on such occasions, and which the nature of his contract seems to have particularly required. It is true we do not find the usual claim to reserve a fourth until the work be completed inserted in his contract, neither was a penalty mentioned, but the general usage of the Canal may be presumed to have been intended and meant in his case, seeing it has been the practice for years, with very few exceptions.

W. L. MACKENZIE,
DAVID THORBURN,
T. BUTLER.

Received from Wm. B. Robinson, twenty-five pounds, currency, on account of the Pier at Gravelly Bay.

T. MERRITT, Jr.

August 16th, 1833.

Received from Wm. B. Robinson, two hundred pounds, currency, on account of Pier at Gravelly Bay.

T. MERRITT, Jr.

October 17th, 1833.

(Copy.)

Memorandum of agreement made and entered into, at Gravelly Bay, Welland Canal, on the —— day of September, 1831, BETWEEN THE WELLAND COMPANY of the one part, and THOMAS MERRITT, JUNIOR, MARSHALL LEWIS, and —— ——, of the other part, Contractors.

WITNESETH, that the said Thomas Merritt, Marshall Lewis, and —— ——, covenant, promise and agree to finish and complete, in the best manner, the lock, with the two sets of paddle gates in the upper lock gates, &c. &c., according to the plan and specification heretofore laid down by Mr. Barrett and Marshall Lewis—likewise the piling, excavation, walls and every thing necessary to be done to finish and complete the Canal to deep water in the lake on the same level or depth of the mitre sill, all of which is to be finished and completed on or before the first day of November next. Also, to sink, fill up and finish and complete as many piers as may be deemed necessary by the Welland Canal Company's Engineer for constructing the harbor, and making a wall on the points now projecting, on each side of the harbor—to sink as many piers as may be required for covering the entrance to the canal this winter—to finish the piers on or before the 1st day of July next, and to finish and complete the harbor on or before the 1st day of September next.

In consideration of which, the said Welland Canal Company, promise, covenant and agree to pay the said Thomas Merritt & Co. as follows:

For Pumping the Water—Fifty pounds,
Framing and placing in Mitre Sill—Two pounds,
Do. Braces for inside of Lock—Six pounds,
Do. Gates and Paddle Gates—Seventy-five pounds,
Do. Hollow Quoins—Seven pounds, ten shillings,
Planking per square—Seven shillings and six-pence,
Furnishing per square—Five pounds,
Coping, for Lock per 100 feet—Twenty-five shillings,
Spike per hundred—Three pounds, ten shillings and six-pence,
Iron per lb.—Fifteen cents,
Stone per perch, when laid in Lock—Five shillings,
Embankment on each side of Lock—Eight cents,
Puddling 1½ yards wide in addition—Ten cents,
Bringing clay for puddle—Twenty cents.

BELOW LOCK.

For removing all the earth which does not require dredging, per yard—Twenty cents,
Removing all that which is to be dredged—Five shillings,
Furnishing and driving each pile—Two dollars, fifty cents,
Furnishing per thousand feet of plank, to lay behind piles, underneath, by side of water—Twenty dollars,
Each perch of stone in dry wall—Eighty-seven and a half cents,
Removing sand and earth behind piles, per yard—Twelve and a half cents.

HARBOR.

Timber sunk in piers, ten dollars per hundred feet, twelve feet ties, thirty cents; sixteen feet ties, forty cents.

For all the stone delivered and filled in the same, two dollars per cord, measured, to include the ties. The payments to be made as follows: three-fourths each month; on completing the lock and cut to lake, seven-eighths; and remainder on finishing the work. All materials, now at the harbor, to be taken by the said Thomas Merritt & Co. at their fair value.

The work to be under the direction of the Company's Engineer in every stage, and to be executed under the particular direction of Marshall Lewis, the stone to be large and substantial, and all materials of the best quality, and should there not be as many hands on the work as the Engineer may think necessary to finish it in time, the work to be reported by said Engineer to the Company, who may at any time thereafter enter and dispossess the said contractors, and re-let the same again.

The money drawn from the Welland Canal Company by Thomas Merritt, Junior, only, who is the only person authorised by the Company to receive the same. In witness whereof, the parties have hereunto set their hands, the day and year first above written.

WM. H. MERRITT, *Sec., W. C. Co.*
T. MERRITT, Jr.
MARSHALL LEWIS,
SLOAN & CLINTON.

In presence of
GEORGE KEEFER, Jr.

On conversing with Mr. Hall, I do not find that he was able to ascertain what it was that the labor was charged for; it appears they admit that it was not for what they asserted in the time lists. Ostrum gave such an account as he thought fit, and Mr. Hall, under the order of the Board, had to allow it. Mr. Merritt has since then received more money of the Board, but has not fulfiled the terms of his berm bank contract.

Mr. HALL'S REPORT UPON WORK AT GRAVELLY BAY.

In compliance with the order of the Board of 8th October last, I have examined the work at Gravelly Bay, and beg leave to submit the following measurements and remarks:

Brush Pier—length, 350 feet; width, 12 feet; three tier of timbers on each side; ties, 106; stone, average 3 feet deep; brush under the base of pier, estimated at 3 feet in thickness, after being compressed with timber and stone.

Estimate of timber, stone and ties,	$363 80
Coping stone pier, separate contract,	92 00
Timber for extension of 40 feet of eastern pier, not placed,	60 00
Total of work done by T. Merritt, up to 28th October, 1835,	$515 80

Having also compared the time lists, paid by the Company, per June, July, August, and September, said to have been partly occupied with work upon the brush pier, framing timber, and scowing stone for the same. In estimation I am at a loss how to discriminate between the proportion of work done under crontract and by the Company's laborers. I would therefore propose to the Board to allow Mr. T. Merritt credit for the whole of the brush pier, including brush, timber, stone, and ties, and from this estimate to deduct a proportion for work done by the Company, to be determined as the Board may deem most expedient.

(Signed) F. H.

November 19th, 1835.

"Ordered—*November* 20th, 1835."

"That Mr. Hall be requested to re-examine the "work done by daily labor under Thomas Merritt, "and if the quantity does not appear satisfactory to "him that he appoint some person, and he, Thos. "Merritt, another person, to determine the same by "arbitration."

Report upon Works at Gravelly Bay.

In pursuance of an order of the Board, dated November, I have re-examined the work done by days labor at Gravelly Bay, and beg leave to present the following report:

1st. H. B. Ostrum states that at an early period in July last, while forming the foundations of brush pier, and after all the necessary brush was cut in the woods or adjoining swamps, that the same was totally destroyed by fire—this he estimates at.....	$ 40 00
Also two brush piers sunk and lost in floating round the harbor,.....	20 00
Brush in rear of mill pier, not before estimated,.....	33 50
Also, one scow load of stone for do.....	14 00
Levelling round office, 420 yards, at 10 cents per yard,.....	42 00
(I have taken this item at the fullest allowance, both as to price and quantity —the quantity cannot be correctly determined.—F. H.)	
Snubbing Posts, ten in number, timber and placing $2½ each,.....	25 00
Brush under Pier, calculated at double the previous statement $90—in consequence of shallow water—Ostrum states that great delay often occurred in discharging the same. Sometimes the Scow would not float to the Pier face with its full load, and had to be lightened by men and carried to the Pier.....	180 00
Stone per Brush Pier, foundation 112 cords $2.....	224 00
(This item was incorrectly stated by Ostrum or Fisk in the time list "for filling the Piers with stone," should have been for loading the foundations.)	
Repair of stone wall on both sides of the lock downwards to the entrance, 14 cords of stone—This is also an item that Ostrum had omitted, until the 22nd December, 1835,.....	28 00
Also omitted until same date, 7 cords of stone, breaking and laying the same on the Pier head,.....	19 00
Also omitted, Brush behind Warehouse in August and September,.....	5 00
Amount of work in bills for June, July, August and September, ...	$630 50
Therefore there remains for ditch,.....	121 13
Total of time lists for June, July, August and September, 1835.....	$751 63

I hereby certify the above statement to be correct to the best of my knowledge.

(Signed) HIRAM B. OSTRUM.

The above statement contains all the information of extra work at Gravelly Bay, that I have been able to collect, and so far as I can judge, is as nearly correct as the present state of the works will admit a measurement of.

Respectfully submitted by,
Gentlemen,
Your very Obedient Serv't.
(Signed) FRANCIS HALL.

Welland Canal Office,
St. Catharines, 6th Jan'y, 1836.

MERRITT'S BERM BANK CONTRACT.

I will here state what first excited my suspicion of pecuniary mismanagement on the part of the officers of the canal after I came upon the work.

The first day I had a seat at the Canal Board an estimate of about $40,000 was placed before us for our sanction, the first item in which was 22,000 cubic yards of embankment by Thomas Merritt, cousin to the President, in part of a contract for nearly 40,000 yards, which he ought to have completed previous to the opening of the navigation last May. I perceived that 15 cents were charged as the price per yard, and asked to see the original estimate of the engineer, Mr. Keefer, in whose hand-writing also was the estimate before the Board. The first estimate was at 14 cents. I then called for the contract, and it also was 14 cents. The canal rules require the Secretary, Agent (President,) and Engineer, to certify that estimates are correct, and I asked Mr. Merritt to explain why so many persons with the originals before them had allowed this false charge, by which $598 would have been put in Mr. Merritt's pocket improperly, to be offered to us, and he said it was the first occurrence of the kind that had ever happened at the Board. We deducted it, and allowed the account as per contract. In this we acted in ignorance—one-fourth should still have been retained by the Company, till the work was completed, as is done with others. We called, however, for security, which Mr. Merritt had forgotten in the first contract, and his instructions to Mr. Clark, the Secretary, shew how little he valued the order of the Board. They are these :—

"Mr. Clark will draw a bond for Mr. Thomas "Merritt.

"One or two securities is necessary, and it is of "little matter who they are.

"Thomas Merritt says the work can be done by "1st February—providing the water is taken off by "20th November.

"If not it will require until 1st April—this appears "reasonable, and the bond should contain this pro-"vision."

A bond was drawn under this loose order, and I afterwards found by Mr. Keefer's letters that he had previously reported to Mr. President Merritt that that contract and others had been grossly violated, but he told nothing of this to the Board.

Extract of a letter from Mr. G. Keefer, then the Company's Engineer, to W. H. Merritt, Esquire, President, respecting Thomas Merritt's Berm Bank contract, through H. J. Boulton's lands, dated April 2d, 1835:

"The embankment will not be finished, and I "think we will not regret it; there is the same ini-"quity practised in regard to filling in logs as when "you were there, notwithstanding I have written to "Thomas Merritt, to Rose, and St. John, and even "stopt some of the sub-contractors, which still ap-"pears to have done no good. I took Rose with "me to the spot and convinced him of the fact."

REMARKS BY Mr. HALL, ENGINEER.

By estimate book, from the 1st December to the 1st May, 1835, it appears that St. John was employed as a superintendent of workmen at Dunnville, during the following months, viz: December, January, February, March, but not in April or in any succeeding month, the names of Rose and St. John are not entered as contractors, or for doing any other work, they must therefore have been sub-contractors either under Thomas Merritt or John Donaldson, who were then employed with large contracts, upon the main canal and feeder. A breach of contract of this nature ought to have been provided for in the succeeding estimate by withholding a very large proportion of the monies due, until such time as the works had been thoroughly tested.

F. HALL,
Engineer.

Instead of this the President procured full pay for his relative, and the work is not nearly completed.

The following is a copy of a letter from Messrs. McDonell and Creighton to the Secretary. Notwithstanding what they state, Messrs. Donaldson and Merritt were paid in full at the then ensuing Board—Mr. Thorburn and I not knowing how matters stood.

(Copy.)

St. Catharines, April 23, 1835.

Sir,

Whereas it appears that Thomas Merritt, John Donaldson, —— O'Brian have failed to complete the works for which they severally contracted on the line of the canal, this is to require you to retain in your hands from this day forth all monies due to said contractors until the opinion of the Board of Directors be had upon their non-compliance with contracts.

Your Obedient Servants,

A. MACDONNELL,
Vice-President.

OGDEN CREIGHTON,
Dir. W. C. Co.

The greater part of the Company's contracts are in dollars and cents only, for the convenience of calculation. The contract with John Donaldson, dated the 17th of October, 1834, is a memorandum in dollars and cents, without penalty, or an agreement as to the proportion to be reserved, or the mode and conditions of payment,—it includes many thousands of dollars worth of work. The contract was not completed to agreement. Part of his contracts, Donaldson fulfils, and part he lets out at a reduced price. Of about $30,000 worth of estimate work laid before the Board last year at our first meeting, we had almost entirely to depend on whatever the Engineer might be of opinion was correct—it was scarcely possible to afford a check.

Thomas Merritt had given to him sections 9 and 10 in the feeder Canal, very light easy work, at 12½ cents per cubic yard,—on which he turned to Daly & Co. and agreed that they should perform the contracts for 9½ cents, and he would give them orders on the Canal Office at that rate. The Engineer's bill was in this form :—

" Daly & Co., Sec. No. 9."				
" 5090 yards Excavation—9½.....			$ 483	55
" Grubbing 84-100—$12.....			10	08
" 7½ days work at Marshville—89....			6	68
" Earth on Berm, 300 yards—9½.....			28	50
			$ 528	81
" Section No. 10.				
" 5382 yds. Excavation—9½.	$512	29		
" Grubbing 84-100.....	10	08		
" Mucking on Berm, 480 yds. —9½.....	45	60		
	$567	97		
" Deduct Basin by T. Merritt	22	00	545	97
			$1074	78

" *N. B.*—This is the amount due Daly & Co. on " Sections 9 and 10, for which they hold Thos. " Merritt's order, payable at the Welland Canal Of- " fice, at the above prices.

" Signed G. KEEFER, Jun."

Daly & Co. did the work, and got $1,074 78 on the order of T. Merritt; and then T. Merritt called and drew an additional $337 56, as his profit on their hard labor. His price was kept a secret from them, and his gain by their industry did not reach the public ear. Mr. President Merritt studies to keep all contract prices a secret.

[Witness withdrew.]

WEDNESDAY, 24*th February*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—8.

FRANCIS HALL, Esq., *Civil Engineer, called in and examined.*

[By Mr. Mackenzie.]

54. (a) Have you seen the agreement under which the extensive Berm Bank contract, near Dunnville, was given to Thos. Merritt, Jun., and in what way has that work been carried on? I have seen the contract; the banks appear to be generally well constructed; complaints have been made of logs being inserted; I have not had any opportunity of seeing more than three or four; these logs were observed after the water of the feeder was drawn off. The works seem to be of a fair quality under that contract, in their unfinished state. I consider that those logs can be of no benefit to the Canal banks; they are expressly against the spirit of all contracts for embankments, and against general usage or rules for conducting works of that nature.

55. May there not be a great many more logs in those banks?—There may be.

56. Will you be able to measure the work, so as to form an accurate judgment of what has been and what has to be done—the work not having been finished in the year in which it was agreed to be concluded? I will be able,—by placing any quantity of yards of earth into a regular or irregular form, the correct contents can be obtained; this earth embankment is of a regular form, and can be measured exactly.

57. Does Mr. Merritt do the work himself, or has he hired it out to sub-contractors; and if so, at what prices? I was not upon the works last season, when they were in operation; but understand that the works were done by sub-contract—I only know the contract price.

58. What is your opinion of large contracts, such as that of T. Merritt, Jun., for the Berm Bank, and John Donaldson's contract of October, 1834, ought not the fulfilment of such as these to be guaranteed by sufficient sureties; and have they not both failed for the want of them? I see no reason to object to large contracts, if the same is in proportion to the means of the parties,—sureties in most cases of contract should be demanded. I know those contracts have not been complied with, but I cannot say the reason why, unless from a limitation of time.

[By Committee.]

59. What will it cost to fulfil the contracts now in operation?—It will cost no more than formerly, because the same contractors are going on with the work; the principal loss is that of time.

[By Mr. Mackenzie.]

60. Has not the non-fulfilment of the berm bank contract, been, in your opinion, very injurious to the health of a large tract of country?—Its non-fulfilment floods a great quantity of land, that will ultimately be of value to the owners thereof, and as the country is drained and improved, its salubrity will be promoted.

61. Was it fair towards the Company and country, that Mr. Merritt, while holding several important contracts, unfinished and in progress, should, at the same time and place be employed by the day with a number of laborers?—I do not think any person can fulfil more duties than one or two at most, upon canal works. It is neither usual nor proper, to be engaged by the day and with contract work at the same time and place.

62. What is your opinion of the practice of the Company in having very large contracts in the hands of individuals, which they could neither oversee nor fulfil; and which had to be taken from them again compromised, or given out to sub-contractors who had far less prices?—Admitting such to be facts, I think them very improper.

63. When you went to Gravelly Bay, at one time you took a note that one day when they had 10 men entered on the time list, afterwards sent to the Canal Office, there were but 5 present; and that at another time, entered 14, when there had been but 7 at work. When you were afterwards sent up by an order of the Board to enquire into the validity of these lists,

did it appear that work, such as was stated in the lists, had been done in *these months* to the extent stated, or were they obliged to admit that it had not, and to say that it was other work they were employed at?—Upon examining the works at Gravelly Bay upon the 21st and 22nd of September last, I observed 5 men on the 21st, and 7 on the 22nd at work.—When the monthly time lists were produced at the office, a greater number of hands was inserted therein; the explanations given in by the overseers at Gravelly Bay were such as induced me to withhold the extra allowance charged. Fisk and Ostrum, the overseers, stated that the extra hands were for Sunday work; in consequence, Fisk place the extra hands upon the time list of the Mondays and Tuesdays following. On re-examining the time lists of those days alluded to, I observed there was cattle charged. The exact number can only be found by reference to the time list for September. There was two yoke of oxen charged, but I saw none, the weather was not favorable for wood work, it being very stormy on the 22nd. I will also add, that on the 21st of October last, I measured the brush pier, the total estimate $363 80, at the contract price.—Upon examining the monthly time lists for June, July, August and September, amounting to $750 63, said to have been partly occupied with work, stone and timber, and timber framing for the same; and comparing the expense with the total amount of work done, I was at a loss how to reconcile the apparent discrepancy. Mr. Ostrum was called to explain whether all the work done was included in my measurement. Upon the 19th of December last, I received an account of extra items, exhibited in a statement of extra work at Gravelly Bay, with my remarks threon. The 5 and 7 men observed by me upon the 21st and 22nd of September were employed upon the ditch at Gravelly Bay.

64. Did not the same overseer state to you at first that he had less men working on the Monday because they had been intoxicated on Sunday; and was there any unforseen occurrence to render Sunday work necessary?—Fisk, the book-keeper, to Thos. Merritt did so state, on Monday 21st. I was not aware of any unforseen occurrence, to render Sunday work necessary, but I have understood since, that there was a scow sunk at Gravelly Bay and raised upon a Sunday, but the same time list shews Sunday work.

65. Did you enquire into particulars of the bill of work and labor, amount $4,000 and upwards, paid Thomas Merritt, Jun., for which there was no other voucher than Mr. Thos. Merritt's clerk, John Fisk's certificate?—I examined and compared all the time lists that could be found at Gravelly Bay, of 1834, and up to October, 1835; I found the same to be correct copies of those in the office. The bill of $4051, was examined by me in the canal office, and the various items then explained to my satisfaction by Thos. Merritt; but, as the work referred to was not done under my directions, I am not so competent to judge as those under whom the work was executed.

66. You have read the report by Messrs. Thorburn, Butler and myself, relative to Thos. Merritt's accounts and contracts; what was your opinion of the proceedings under which Monson's forfeiture was given to Merritt, and the allowances made him, without a new contract or the security that had been demanded of Monson?—I do not think an Engineer that was not present at the execution of the work can give a proper answer to that question.

67. Were the prices charged by Mr. Thos. Merritt for spikes and iron, by contract, and when he had no contract, fair and reasonable?—The prices were certainly high, compared with St. Catharines prices; those spikes that Mr. Merritt charged for, were stated to be cut spikes, which bore a higher price than common; whether the same was an overcharge I cannot say.

68. After the locks had been renewed or repaired at great expense last winter, did not two of them break down in the summer and interrupt the navigation for weeks together, and was not the stone and the workmanship a miserable failure?—There was a stoppage of the navigation twice during the last summer, after the 3rd day of July, but more in consequence of foundations giving way than sidewalls; the plan is not commendable, if it could be avoided, and should not be adopted but in cases of emergency; without stopping the navigation, the locks could not be repaired at any other time than the winter.—The interruption of the saw-mill lock was the longest, it was, I think, 9 days, the other lock I think not so long.

[By Mr. Merritt.]

69. Did you not examine the estimate of Mr. Keefer from his original level on the Berm Bank which was let to Thomas Merritt and find the computation correct?—I did, and found all the calculations correct.

70. Did you ascertain or know that proposals were received for performing this work, and what was the lowest price per yard offered?—I know nothing about it, farther than from minutes in the canal office of which I have no copy.

71. What was the price paid Thomas Merritt per yard—is the price high or low, and will he make money or save himself by it?—I think it was fourteen cents per yard. I do not think he will make a great deal of money by it. It might have been a fair price at that time, but tenders have been received this year much lower, for smaller jobs of the same description. In consequence of a year's trial, the banks will have subsided at least 12 inches upon their height, which extra height the contractor has to make up at his own expense, without receiving a measurement for it—as the contract specifies certain dimensions and quantities to be executed.

72. Do you know or have you heard the reason that work was not finished last Spring in time as well as the contract of Donaldson?—I have heard the reasons but cannot express them at present, beyond what has already been stated, in reference to time.

73. Did you hear the reason why the rock on bottom was not taken out on New Cut?—I am not aware of any other reason than that Donaldson was limited to time. In consequence of dams being necessary to prosecute the lock work at Gravelly Bay, which dams interfered with his work.

74. Cannot the work by Donaldson and T. Merritt be done now at the same time the rock is taken out? Certainly now is the best time both to finish the Rock and the Berm Bank as the waters are entirely excluded from the canal, and no impediment exists at Gravelly Bay lock.

75. Are not both Donaldson and T. Merritt, considered good contractors and able to execute the contracts alluded to by Mr. Mackenzie?—I never heard any thing to the contrary.

76. Do you know the situation of the lock at Gravelly Bay?—I do.

77. Do you not consider the work of lengthening that lock 25 feet, a most difficult and arduous undertaking in the winter season and hard frosts?—Yes. I think it was one of the most troublesome of any job on the whole canal.

78. Was the work well executed and well done? The lock work appears to be very well constructed, but part of the lower wing walls from some fault either in the foundation or embankment have bulged—the extent of this bulge will be about 35 or 40 feet. I think the cost of repairing it may be about $200. It does not form part of the lock, but is part of the West entrance wall in connection with the lock.

79. Did you not get the opinion of Mr. Culp on the value of those prices of iron work, and did he not say it was not the value?—Mr. Culp's letter was before the Board and I understood Mr. Culp has allowed higher prices than Mr. T. Merritt charged.

80. Do you consider the price of $4,000, high for the work done in damming, pumping, and keeping out the water and in lengthening the lock?—For lengthening the lock 25 feet it is difficult to say without calculations, but I think £1,000 is a fair price, for both lock and adjoining walls.

[By Mr. Mackenzie.]

81. Have you had any evidence to shew you what the sums amounted to, which included the charge for lengthening the lock, seeing it was done by day work, and you was not then on the line of canal?—I have made no calculations upon it—but an estimate something nearly correct may be made by those who know where the old work terminated, or was displaced, and where the new commenced.

82. You saw the Dredging Machine that Mr. Yates sent in, the cost of which was from 7 to £800—What was it worth, and when set up at auction and advertised in the papers, what was bid for it?—I have seen the Dreding machine—I think it may have been worth £100—there was $300 bid for it at St. Catharines—I do not know the cause of the depreciation of its value—but I understand the machinery is only fitted for a uniform motion without strain.

83. Do you remember that Mr. Wm. H. Merritt wished very much to induce us (the Directors) to give $2,000 for the Sir Walter for a Dredging machine—what could have been its value to the Company for that purpose?—I recollect visiting the Sir Walter with part of the Board, but what the President offered the Sir Walter for I do not know, I do not think it was worth any thing for a Dredging machine, as in my opinion the expense of remodelling the boat and machinery would be considerable, and the result doubtful.

84. What is the opinion of masters of schooners passing on the canal of the manner in which the water power is disposed of?—I have heard many complaints from masters of vessels, some of them say that it is more a canal for mills than for vessels—that is, when they happen to come to a level, that is a few inches under level, or where bars exist—they are sometimes detained for a short time, then the mills have the blame. I think the millers are generally to blame. Bars are produced by saw-mills on the line, that requires frequent dredging—saw dust generally finds its way into the canal, which ultimately subsides and forms these bars. Tinline, the lock-keeper at Mr. Butler's mills, says he is ready to prove having detected the millers at that place, wheeling saw dust into the canal during the night—there are bars upon the canal line independent of saw-mills, which are now being removed.

85. What do you consider to be the fair value of the water privileges at Allanburgh, now in the possession of Messrs. M'Donell, Yates, and Creighton, with the 100 or 150 acres of land, exclusive of what they have laid out on the mills?—It would take some time to answer that question; but I think about £2000 would be near the value. I think a fair value per annum would be $600 or $700 for these mill privileges and lands.

[By Committee.]

86. Did you know of your own knowledge of vessels being detained by the mills?—Yes, frequently. I cannot state the number per day. Upon short levels it is almost impossible to keep their levels up where a saw-mill is situated, more particularly during the night, when the lock tenders are absent and the mills in operation.

[By Mr. Mackenzie.]

87. Did you become acquainted with any valuable improvements made to the Canal Company's property by the Hydraulic Company during the time they held the lands and water power?—I have not heard of any, and none has been pointed out to me, so far as I can remember.

88. Do you think that, considering the very great expense to the Canal Company of the St. Catharine's Feeder, and temporary aqueduct, the extent of the water privileges it gives to Mr. Merritt, Mr. Phelps and the other occupants, any thing like a reasonable compensation is obtained for the very valuable and extensive powers thus conceded?—So far as I can make out the estimates for that work, the expense has been about £1,695; the interest upon this should be at least ten per cent., or £169, independent of repairs. If £125 only is given, it is too little; because this mill race, from its heighth above the Canal at Phelp's Grist-Mill, provides to the St. Catharine's Hydraulic Company mill privileges to an almost unlimited extent.

89. Have not Messrs. Merritt and M'Donell so engrossed the lands on the Canal line at Port Colborne, that, although the Directors mention, in their report in 1833, that there is the Port Colborne Lot, (about 140 acres,) as the site of a town belonging to the Company, enough cannot now be found for wharves, basins, and roads at that harbor?—I do not know who the land belongs to on each side; but my opinion is, that the ground laid out for basins and wharves is extremely limited. Basins cannot be extended in a circular form; but only in a longitudinal direction, according to the plan at Gravelly Bay Town; the width for basins and wharves is only 218 feet 8 inches over all.

[By Mr. Merritt.]

90. On what levels does this detention occur? I have seen upon Partridge's level, near lock 3, early in the morning, the water reduced fully a foot; if vessels should pass at that time, they would be sure to be detained.

91. How often and how long have you known vessels detained on that level? I cannot refer to that level particularly for detention of vessels; but I have observed the water more than once reduced during the month of July last upon that level.

92. Do you not know there is a positive order of the Board not to reduce those waters more than an inch below water mark?—I am aware of the order, and of the extreme difficulty that lock-keepers sometimes have to comply with it; for instance, betwen locks No. 2 and 3, where a saw-mill is erected at each, if both mills go at the same time, each requiring an equal portion of water, the levels will remain uniform; but whenever the upper mill stops, the levels become deranged, which requires constant attention of lock-keepers, although no vessels are near, during the night, no lock-keeper is in attendance.

93. Do you think any preference is given to the mill owner as being a Canal Director?—I think none whatever.

94. Had you not the whole power to enforce these regulations without reference to the Board?—Certainly, since the month of August last, I considered that all the overseers upon the canal were placed under my directions. But it was the special duty of John Vanderburgh, according to a resolution of the Board, dated 15th May, 1835, to superintend the passage of vessels through the locks, and to observe that lock-keepers attended to their respective duties.

95. If they do that, is there not an order, on complaint of a lock-tender, to close up those mill races?—I have not seen the order, but I believe it exists.

96. Do you know that a hundred or hundred and fifty acres of land is sold by Mr. McDonald & Co., at Allenburgh, as stated by Mr. Mackenzie?—I know nothing about it.

97. Do know of my having purchased any part of this property, of the Welland Canal Company?—I know nothing of those transactions.

98. Do you know from whom I purchased the land at Port Colborne, as referred to by Mr. Mackenzie in question No. 89?—I do not.

99. Is there not a chain and a half in width on each side of the canal above the lock, left for canal purposes and all below?—I think, as far as my recollection serves me, from an examination of the place, there is less land allotted on one side than upon the other—there is 78 feet, 8 inches upon the east side, and 80 feet upon the west; allowance of canal, 60 feet; but 15 feet has since been added to the canal surface and taken from the west bank; there is abundance of room below the lock, upon the eastern side of the canal, but it is limited to 33 feet between the canal water and mill upon the west side.

[By Mr. Mackenzie.[

100. Do you remember that when you and I went up to see about a stoppage on the canal, that Boylan, the lock-keeper told us, he never had seen or heard of any printed regulations about the saw-mills?—I remember it distinctly, and immediately sent him a copy of the regulations, which was the first copy that I had seen.

101. Did you ever know that any mill owner was fined by the Board for neglect of orders with respect to low levels above his mill?—None has come to my knowledge, but complaints have been made at the office, by lock-keepers.

[By Mr. Merritt.]

102. When was Boylan put in charge of his locks?—I am not aware of the date of his appointment.—But from the minutes of the Board, dated *May* 15th, 1835, (a copy of which was furnished me,) it appears that Boylan was then a lock-keeper for four locks at Thorold.

103. Did you know of any man having been fined on the line of canal; or any difficulty occuring in consequence of disobeying of orders?—I do not recollect of any lock-keeper having been fined, but they have been discharged for inattention, as in the case of Bonar and Hanning at the saw-mill lock, or No. 7.

[By Mr. Mackenzie.]

104. Has not Mr. Keefer got possession of a very valuable mill seat on the canal, with the water conveyed to his mill to turn four run of stones, and for which he pays no rent at all?—He has; I understand he pays no rent.

[By Mr. Merritt.]

105. Do you know the circumstances under which Mr. Keefer became in possession of that mill seat alluded to?—There was an order of the Board to grant a mill privilege at Thorold to the first person that erected a mill there without rent for an indefinite period.

[By Mr. Mackenzie.]

106. Can you state what mill privileges Mr. Merritt and other Directors, hold on the line of canal?—The first erection on the line is Mr. Butler, a grist and saw-mill at lock No. 3; Mr. Merritt at lock No. 4; Allanburgh mills by Messrs. Yates, McDonell, Creighton & Co.; Gravelly Bay, by a Company, I do not know for certain, but I think Mr. Merritt is connected with it.

107. Do not the saw-mills, by saw-dust and other obstruction, impede the passage of schooners on the canal, from time to time, to the injury of the navigation; and does not great carelessness prevail on the part of the saw-millers?—They occasionally do, and great carelessness does prevail on the part of the saw-millers. The water does not return to the canal at Dunville, Marshville or Port Robinson mills.

108. Is it for the interests of the Company that the President and Canal Directors should hold, as leases or otherwise, the most valuable mill sites and water power privileges on the canal, or that they should be interested in such leases or water power?—I think it would be better they had not, as no blame would then attach to them for deficiency of water that may occur or upon any mill regulations that may be made.

109. Have any bad effects resulted from the present system of rafting lumber and saw-logs on the

canal?—No bad effects that I know of, but the occasional delay in the passage of vessels; I am not aware of the present price of saw-logs, but think they pay 4d. each, the printed regulations will shew. I have not a copy with me.

[By Mr. Merritt.]

110. Do you know the price paid for water power, and the system on which they are let on the line of Canal?—I do—my general report states the price paid for each grist and saw mill on the line of the Canal is $100 each upon a ten years lease.

111. Do you consider the price paid for this power ample?—I think it is low enough for grist mills, but too low for saw mills, in proportion to water consumed. Marshville mills are as well constructed as any upon the Canal line; the grist mill, with a head of two feet and aperture of 100 superficial inches, requires a supply of about 500 lbs. weight of water per second; the saw mill, with a head of 6½ feet and aperture 192 superficial inches, requires about 1,300 lbs. per second,—the proportion, therefore, is nearly as 5 to 13.

112. Do you know whether the Directors are desirous of disposing of those situations, and to procure erections?—Yes; I believe they are. Several new leases are now in execution for mills at Dunnville, and other parts of the Canal line.

113. Are the Directors owners of any of the saw-mills referred to?—Messrs. Yates & Co., at Allanburgh, I believe, are the only owners of saw-mills upon the line connected with the Directory.

114. Is the rate of tolls on saw logs lower than on the Erie Canal for same distance?—I am not aware of the rate of saw logs upon the Erie Canal.

115. Are saw logs brought through the entire line of Canal to lower saw mills; if not, what is the reason?—I do not think I have observed any rafts below Thorald's mills. I do not know the reason, unless it be the delay and expense attending the Mountain Locks.

116. What are the description of mills owned by the Directors, which you say they are concerned in?—Mr. Butler's saw and grist mill; Messrs. Yates & Co.'s grist-mill, (two run of stones,) saw-mill, (two saws,) carding-mill, fulling-mill, lath-mill, and shingle saw. Mr. Merritt, Gravelly Bay, has a grist-mill, propelled by steam or water; also grist-mill at St. Catharine's.

117. Do you know of any instance where the Company have been injured by any Director holding an interest in any mill?—I am not aware of any.

118. And do you think those extensive grist-mills would have been erected without aid of the Directors?—I scarcely think they would, at least for some time after the opening of the Canal.

119. Will they not bring a much greater revenue to the Canal, in the transit of wheat and flour, by the erection of those mills in toll, than the value of the water power?—The grist-mills must increase the revenue, because they must carry their wheat from a distance, and, consequently, pass through the Canal to the respective mills. I can see no objection to grist-mills upon canals, under proper regulations; but I am not of the same opinion as to saw-mills.

[Witness withdrew.]

Saturday, *27th February*, 1836.

Committee met,

PRESENT.

James Edward Small, Esq., *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Shaver,
Solicitor General, &
Thorburn—8.

Mr. Hall *again called and further examined.*

[By Mr. Mackenzie.]

120. Have you examined the locks built by Oliver Phelps as contractor and superintendent, did he do his duty as a contractor and so as to merit the large additional payment made him beyond his contract, or did he neglect that duty, and if so, what bad results have ensued or are likely to ensue?—I have, the particulars are detailed in my general report. The injury to the works from the apparent deficiency of the workmanship cannot well be estimated, they cause a constant re-construction during the winter when such works should not be attempted.

[By Committee.]

121. When were these locks built?—About nine years since.

122. If the locks are well constructed, how long ought they to stand?—About 10 or 12 years above the water, but below the water, they will be more durable.

[By Mr. Mackenzie.]

123. Have you ascertained that Mr. Phelps employed a number of persons as sub-contractors at low prices to build these locks, and afterwards charged and was paid a far larger price than his contract without allowing all those persons their proportion of that increased price?—I understood from Mr. Squires that he had done so, but never from Mr. Phelps.

124. Was you present when about the commencement of the Deep Cut excavation a well was dug to try the foundation, and if yea, what was the result of the experiment?—I was shortly after, I observed the pit nearly filled with water—the workmen informed me when the water commenced to rise, they were obliged to retreat as fast as possible.

125. Had judicious precautions, founded on that experiment been taken, is it not reasonable to infer that the great loss sustained by the Deep Cut caving in might have been prevented?—I cannot say, because the line of the canal was afterwards varied from where the pits were sunk.

126. Are you aware that the earth taken out of the Deep Cut by Phelps, was placed a reasonable distance from the margin of the canal, or do you

consider the neglect of the contractor in that respect, a probable cause of the slides?—I consider that the earth in most places has been placed too near the margin, but am not aware under whose contract—this neglect is one cause, but springs in the banks and want of surface drainings are the principal reasons in my opinion of the slides, connected with quick sands near the bottom of the cut.

127. You have been residing at St. Catharines for some time, are you of opinion that Mr. Phelps is a person likely to be able to pay £7,558—the sum for which he is entered as a defaulter in the Company's books?—I do not personally know any thing of Mr. Phelps' private affairs, but I understand he owns considerable property in the neighborhood of Saint Catharines, in the shape of mills, houses and lands, as to their value I do not know.

128. Were not Mr. Phelps' mills at Drummondville, now owned by Hezekiah Davis, built upon a lock erected by the Company for the benefit of the navigation in descending from the level of the Grand River dam to the natural level of the river?—I know that Mr. Davis has mills at Dunnville, but do not know who they were built by—I know nothing of the lock, it never was pointed out to me or brought under my consideration.

[By Mr. Merritt.]

129. You have given your opinion and made an estimate of the locks on the line of canal built by Mr. Phelps, did you make your estimate of that value from the specification of Mr. Lewis, if so, what is the length of the chamber according to that specification, and what quantity of iron is in the gates?—I made my estimate from Mr. Lewis' estimate—the length of the chamber is 100 feet by 22 feet—I do not recollect the quantum of iron in the gates—I likewise examined all the documents relative to that subject that could be found in the canal office, my reply to Mr. Mackenzie's letter contains the result of that examination.

130. Do you know whether the locks are built according to Mr. Lewis' specification or not?—I think Mr. Lewis' specification referred to a model, which I have not seen. I think the present locks are all 110 feet within the chamber, with the exception of the lock at Gravelly Bay which is longer; particulars will be found in my general report, and therefore I cannot say they were according to Mr. Lewis' estimate.

131. Have you examined Mr. Barrett's estimate of the locks from the actual measurement?—I think I must have done so, otherwise I should not have placed his statement of it in my special report upon that subject without mentioning errors.

132. Was Mr. Barrett's estimate correct or not? I cannot say positively; but I think his calculations, founded upon that estimate, must be correct.

133. How many locks were built by Mr. Phelps on the line of Canal—how many have ever broke under the mitre sill, or at the foundation?—I think he had the contract for thirty-three locks—only one, to my knowledge, has broke under the mitre sill, or at the foundation, since July last. I never heard of any but the one having broken under the mitre sill; the engineers or overseers that preceded me, will be better able to speak upon that point.

134. You state there is a deficiency in the workmanship of the locks, to whom should the fault be attributed, to the engineer, contractor, or operator? In the first place, I do not like the design of the locks. It is not the operator that is to blame, but the contractor that employs him. The engineer and contractor are the responsible persons; if the engineer passes a work that is deficient, then he is responsible.

135. Do you understand from that, Mr. Phelps got an increased price on those locks, over Mr. Barret's estimate?—I understand he got $116,412. It does not appear to be equal to Mr. Barrett's estimate, some waste wiers not being required.

136. Do you know what depth they sunk those shafts, before coming to quicksands?—It occurs to me it was about the bottom level, but I am not quite certain.

137. Do you know that a well was dug at each end of the Deep Cut prior to the commencement of the work?—I have no recollection about the wells.

138. Has a single slide on the Deep Cut from end to end arisen from placing the earth too near the banks?—I do not recollect of having observed any of those slides with extra excavation upon their surface.

139. Is Mr. Phelps a defaulter to the Company?—I know nothing of that question.

[By Mr. Mackenzie.]

140. Has Mr. Beaton been employed as a confidential clerk of late by the Welland Canal Company, and have you had opportunities during the last eight months of observing his habits—Is he or is he not in the habit of being under the influence of strong drink and unable to attend to business for weeks, and is not the business of the canal injured thereby?—have the goodness to state to the committee such facts as come under your personal observation while acting for the Government Directors as Engineer in that respect. He has been so employed. There were particular periods when I did not consider Mr. Beaton capable of discharging his duty to the Company. I have seen Mr. Beaton in that state for days when he could not transact public business.

141. Do you remember what situation Mr. Beaton was in, about the time when the difficulty took place about the Company's books?—I do. He was in such a state that he could not regularly attend the office. It appeared to me from intemperance, although I never saw him drink liquor in my life.

142. Did Mr. Clark ever complain to you or to others, to your knowledge, that after the books were taken from the officers, he found Mr. Beaton transacting business in the canal office without his consent, and that although he complained of this to Mr. Merritt, he (Mr. M.,) upheld Beaton and ordered him to continue to act in the office, independent of the Secretary?—I remember it distinctly during the time the books were taken away. Mr. Clark mentioned the circumstance as having occurred previously.

[By Mr. Merritt.]

143. How long was Mr. Mackenzie at the Canal Office?—I can only say he was there from the 1st of July, to about the middle of October; I think he left St. Catharines upon the 24th October for Quebec.

144. Did not Mr. Beaton attend to him with great diligence until Monday, 24th October?—There was about a week that Mr. Mackenzie and I had the office to ourselves.

145. How long was Mr. Beaton absent?—I cannot say how many days.

146. What time was it that Mr. Beaton was unable to come to the office and how long?—I think it was before or about the 24th of October. There was a number of days about that time, but I cannot tell exactly.

147. What day was it that Mr. Mackenzie examined Mr. Beaton's desk?—I cannot say positively, but think it was Monday, 19th October; my minutes state that I visited St. Davids upon this date. It was upon the same day I returned from St. David's.

148. Who opened Mr. Beaton's desk and who was present?—So far as I can remember, there was Mr. Mackenzie, myself, and you, present in the committee room when a conversation arose about some papers, which Mr. Mackenzie supposed were in Mr. Beaton's desk; you authorised Mr. Mackenzie to open or break open the same, if Mr. Beaton refused. We all left the committee room, and Mr. Mackenzie and I proceeded to the clerk's room, where, shortly after, we found Mr. Beaton, who opened the desk; during the examination of the papers you returned.

149. Do you consider Mr. Beaton a competent book-keeper?—So far as I am a judge of books, I consider him to be highly competent.

150. Do you know if ever Mr. Beaton entered a single charge in the books at the time you state him to have been intemperate?—I cannot tell—he was generally absent upon those times.

151.—In what situation was Mr. Beaton employed in the canal office?—Book-keeper, as I understand.

152. Did you ever hear that he was responsible to the Company for any monies?—Not that I am aware of. I considered him to be only responsible to Mr. Clark for what monies might be placed in his hands for payment of estimates.

153. Do you know that any loss whatever was occasioned by employing Mr. Beaton, as book-keeper?—I do not know; I never heard of any.

154. What is the character of Mr. Beaton, generally, as a book-keeper and man of integrity?—As a book-keeper, I have already answered, as to being a man of integrity, I would trust him with almost anything.

155. Did you ever know a more attentive, active and diligent person in the office?—Unless upon the occasions alluded to, I have considered him to be very attentive and constant at his duties.

156. What loss or injury could possibly accrue to the Company by the book-keeper being occasionally absent?—I cannot say.

[By Mr. Mackenzie.]

157. Would you choose to trust a man who has the habits you have described Mr. Beaton as having, with the whole of such duties as devolve on the officer who keeps all the books and accounts of a large Corporation like the Welland Canal?—I would not at those periods alluded to.

]By Mr. Merritt.]

158. Do you think a more competent man could be selected for the situation he fills in the canal office?—I think Mr. Beaton very capable of conducting the duties of his office, with the exception of the times alluded to.

[By Mr. Mackenzie.]

159. How long were the books and papers of the Company withheld from the officers and in your possession and that of the committee, by order of the Board; and under what circumstances were they returned to them?—I cannot state the precise dates, but think the books and papers were retained from the 24th of October to the 19th November, when they were returned to the Secretary and placed under the care of a member of the Board for one week, another member of the Board was to attend the second week, and a third in succession.

[By Mr. Merritt.]

160. Were the books ever in the hands or possession of myself?—I cannot tell whether they were or were not—they were never in your exclusive possession.

161. Who is Secretary of the Company?—John Clark, Esquire.

162. Are the books in his charge or in possession of the President or Board of Directors?—I cannot say what the duties of the Secretary are, but I think they should be in the Secretary's hands, subject to the inspection of the President and the Board.

163. Have not all the Directors the same access to them as the President?—The books are in charge of the Secretary, so I imagine, I do not mean exclusively, but subject to inspection, either by President or Board.

[By Mr. Mackenzie.]

164. What is your opinion of the route in the bed or bottom of the 12 mile creek by St. Catharines—was not the taking the canal 4 miles out of the line in the bottom of a ravine, a very great injury to the Stockholders and the Company?—I have explained my views upon that subject, very fully, in my general report. I think the present route is not the best that might be obtained from the mountain near Thorold, to Port Dalhousie. That a better and more direct line could be made between those points, saving from 3 to 4 miles in distance.

[By Committee.]

165. What is the effect of the canal being lengthened the 3 or 4 miles alluded to?—I can give no idea of the expense of the original, and consequently cannot tell the difference of expense between the lines, but if we can shorten the direct communication between the lakes, a valuable improvement will be made in the navigation.

[By Mr. Mackenzie.]

166. The canal is carried through Chief Justice Boulton's lands to Dunnville and thereby extended 4 or 5 miles up the Grand River, instead of terminating at or near its mouth; was not this a great waste of money, besides entailing a constant bill of expense on the Company or the country, to uphold the artificial banks now building by T. Merritt?—The feeder might have reached the Grand River by a pro-

longation of the same 3½ miles instead of the present circuitous route of 8 or 9 miles to the same point.—The saving of the difference between the 3½ miles and the 8 or 9 miles, would have been accomplished.

167. What course would you recommend to be taken with the canal under existing circumstances, taking into consideration all the facts that have come to your knowledge?—I should recommend the government to take the canal into their own hands and complete it without delay, in the most substantial manner.

[By Mr. Merritt.]

168. Did you know that the present line of canal was laid out by Engineers employed by the Company?—I have always understood so.

169. Did not Mr. Clowes lay it out and report on it?—Mr. Clowes published a report, but that it was upon that line, I am not sure.

170. Did you not yourself report on Mr. Clowes' estimate?—I did—but I think the estimate was upon another branch of the 12-mile-creek.

171. Did not Mr. Roberts also?—I do not know.

172. Did you know or hear at the time that I, either directly or indirectly influenced the Engineers in laying out this route?—I am not aware of any such influence.

173. Does not the line as now laid out answer every purpose for which it was designed?—It does very well if the locks were good.

174. Has not less expense been incurred on the part down the valley of the 12-mile-creek, from the stone lock at Centreville to Lake Ontario, than on the locks above it?—I am not aware that there has, as all the locks from 6 upwards to No. 31 have been repaired or require repair. Upon the locks below St. Catharines, no repair of consequence has been hitherto required.

175. Did you level and measure the grounds or did you make the estimate from supposed distance? I took the data for the present line of the canal from the canal sections, I walked over the ground upon the short route, and found so few inequalities as to render a level unnecessary; the distance was taken between those points from a map of the district supposed to be correct.

176. Do you know the cause of carrying up the canal five miles from the mouth of the Grand river? I understand the Government would not permit the canal to terminate nearer the mouth of the Grand River than Dunnville.

177. Did you ever hear it attributed to Mr. Boulton?—No.

178. Is not the Dam as now situated in a most excellent position?—It is in a good position as regards wasteweirs, and is well situated as to water power.

179. Could it be made in a better position as regards the works?—It could be made to accommodate the public better—I should have preferred it to be placed below, near to Grand River harbor, where direct access with Lake Erie and the Grand River would be obtained.

180. Do you think the canal will ever succeed if it remains under the present partnership, controlled by Directors appointed by the House of Assembly and private Stockholders?—I do not think it will—it should either be placed in the hands of the Government or of the Shareholders.

[By Mr. Mackenzie.]

181. Are not 3 or 4 miles additional length, out of 7 or 8 on a ship canal like the Welland, occasioned by taking a worse route—a very serious hindrance to the navigation?—Certainly; the shortest communication between the lakes is the best, where no impediment exists.

182. Does not the situation of the locks in the 12 mile Creek ravine render them much more liable to serious accidents, than if they had been placed on the favorable high land of which you have spoken? I prefer locks in dry situations if possible. Locks are liable to more accidents, and greater expense in repairing them, when placed upon wet ground, such as the bottom of ravines.

[By Committee.]

183. Is it your opinion that the hydraulics should be a separate interest from the navigation interest? I think the Canal proprietors should have the perfect command of all the mills and hydraulic privileges of the navigation, so that the Canal proprietors may stop or regulate them, as the navigation may require.

184. Is it your opinion that a lock at Dunnville would be of advantage to the Company and the country generally?—I think it would, as access would then be afforded to pass and repass by the Grand River to Lake Erie, and to the Canal by the feeder.

185. Is it your opinion that the aqueduct across the Chippewa could be dispensed with without any material injury to the Canal?—It cannot be dispensed with; but two descending locks might be placed from the present Canal near the aqueduct to Chippewa River, which would afford public accommodation from Port Robinson nearly equal to the Chippewa; by this lockage all boats, barges and vessels that navigate the Canal could then pass and repass to the head of Chippewa River navigation—rafts of timber would descend under the aqueduct as usual.

186. Have you formed any probable expense required to put the Canal and locks in thorough permanent repair?—I have made two estimates for improvement of the locks. That for the general improvement of the Canal, cut stone locks, of the best description, with cast iron tunnels, with the proper sluice gearing, will cost £117,471 8s. 6½d.—the other estimate, to be done in a less substantial way, will be £111,186. These works could be undertaken and go on without interrupting the navigation of the Canal, and comprehends new locks, waste wiers, raising and repairing Canal banks, improvement of harbors, and every thing requisite to place the Canal in a permanent situation, excepting the expense to convert the feeder into a ship navigation.

187. How much money would be required to be granted annually to complete the present works permanently?—I would recommend the whole lock expenditure to be made within two years, as then less expense would be required in rebuilding the present locks to keep the Canal open. The new locks required will cost £70,305—one half of this is £35,000

for two years, and the residue to be expended upon other parts of the Canal by the end of the third year.

188. According to your views, which do you think to be the most advantageous to the Province, to continue repairing the present works, or to adopt the least expensive of your estimates of putting the Canal in permanent repair?—I would recommend the new route, for the locks to be executed immediately. During its execution, which may occupy two years, I would repair the most defective of the present locks, so that the navigation would not be interrupted.

[Witness withdrew.]

Mr. John Leys, *Engineer, called in, and examined.*

[By Mr. Mackenzie.]

189. You have had an opportunity of trying the Steam Dredge sent in by Mr. Yates—what was it worth for that purpose to the Company?—I did not see it in operation. I do not think it qualified for dredging. I do not think it has sufficient power. My opinion is, it is worth nothing as a dredging machine.

190. How much do you consider that the "*Sir Walter Scott*" was worth to the Canal Company for a Dredging Machine?—She has never been converted into that as yet. I do not think it possible to convert the Sir Walter into a Dredging Machine.

191. Is Mr. Wm. H. Merritt an owner of the Sir Walter?—I have always understood he was one.

[By Mr. Merritt.]

192. What price was paid for the engine on the Sir Walter Scott?—I do not know.

193. What did the boat cost, including the engine?—I do not know.

194. Do you think that engine and boat (if it had all the necessary apparatus for dredging) could be converted to that purpose?—I think the engine, if the apparatus for dredging was furnished, would answer the purpose of a Dredging Machine. The engine was a good one, and has sufficient power.

[Witness withdrew.]

Mr. Mackenzie *again called, and further examined.*

[By Committee.]

195. Have you any specific allegations to offer in support of No. 10?—

Independent of the $10,000 borrowed from the Tolls, by the aid of their notes, Captain Creighton borrowed, September 1, 1834, from Tolls, £100—and he borrowed, February 4, 1835, and gave his note for other £164 14s.—on 3d May, he borrowed other £97 4s. 9d. None of these loans appear on the Company's books, although made from its funds, nor was there any order of the Board for them, and the debtors of the Company had to wait to accommodate the Captain. On the 6th of August last, the day my investigation commenced, the Captain paid up. See petty leger, p. 49, &c. I have already mentioned that Beaton entered the interest on these loans to the Company's credit. The last entry he made in the cash journal, before I left for Quebec, was £15 18s. 11d. But the transactions out of which this sum of £15 18s. 11d. arise, nowhere appears on the regular books, and, indeed, they could not, for they were improper and unauthorized. On enquiry, I learn that £170 5s. 4d. of these last loans was borrowed for Alex. Y. M'Donell.

It will be seen that the officers kept their personal accounts mixed up with the public transactions of the corporation in a very reprehensible manner. Mr. Merritt, too, while Agent to the Company, was a forwarder of goods,—a practice which I have shewn to be prohibited in New York State by a positive law.

Some of the letters I annex hereto in explanation.

St. Catharines, *July 10th*, 1833.

Robert Randall, Esq.

Dear Sir,

There is an order of the Board, authorizing you to keep an account with various individuals, of whom I am one.

You will charge me with all Tolls passing in my vessels, or on my account—it is not on my individual property or the individual property of any other person whose name is mentioned—the consideration was, the Company's being indebted to those individuals.

Your's,

(Signed) W. H. MERRITT.

Mr. Treasurer Creighton to Mr. Secretary Clark.

Clifton, *March* 19.

My Dear Sir,

Our Posts arrive late at night, and are off at day-light every other day, so that our letters often remain four days unanswered—such is the cause of not replying to yours before.

I really did suppose Mr. McDonell had paid up the loan before this, finding he has not, I will settle it by drawing for it, as you ought not to suffer for your kindness. The Commercial Bank has given me a credit for £1,000 on Mr. Yates—but having proposed better terms to ourselves than those given, I only wait their answer from Toronto, when I will liquidate, with many thanks, the debt to the office.

Sincerely yours,

(Signed) OGDEN CREIGHTON.

The same to the same.

St. Catharines, *April* 2, 1834.

Dear Sir,

For travelling and other incidental expenses, I have been at an outlay that has inconvenienced me for the present. May I beg, therefore, you will be so kind as submit to Mr. Merritt whether he can oblige me by the loan of £100 for two or three months. Should the Company require it to be paid within that period I shall be ready to do it.

Yours faithfully,

(Signed) OGDEN CREIGHTON.

John Clark, Esq.
Sec'y. W. C. C.

(Endorsement.)

I would recommend your obliging Mr. Creighton with the within.

W. H. MERRITT.

The same to the same.

CLIFTON, *August* 20, 1835.

My Dear Sir,

Your enclosure, acknowledged as correct by Mr. McDonell, shall be presented to Mr. Yates to know his pleasure thereon—I cannot name any definite period when Mr. Yates will find it convenient to pay up the remainder of the loan to him, but I have reason to think, from his last letter, that he will in a short time be here to answer for himself.

Very truly yours, in haste,

(Signed) OGDEN CREIGHTON.

The Treasurer to the President.

CLIFTON, *(Tuesday evening,)*
June 16th, 1835.

My Dear Sir,

I saw Mr. Ridout last evening, and presented him Mr. Yates' two drafts—he told me there was no necessity for putting them in the Bank, as it was well understood by the Board that all Mr. Yates' business would be satisfactorily arranged to-morrow (Wednesday). It was put off last Wednesday in consequence of a press of other matter before the Board. When this shall be effected we can pay you up the whole $10,000 if required—but until Mr. Ridout satisfies Mr. Yates and he desires us to do so, we cannot move in the affair. I wrote to him by the United States Steamer, to send me authority, and the Captain promised me he would mail the letter to-morrow at two (Wednesday). Mr. Y. will get it Thursday morning and will reply in three days. In the mean time I left a check at Lockhart's, for Mr. Clark for £500, which I hope will keep you going for a few days. Clark will wait at Toronto to know precisely whether the draft for £7,000 has been negotiated.

Very truly yours,

(Signed) OGDEN CREIGHTON.

CLIFTON, *July* 8th, 1835.

My dear Sir:

By Mr. Yates' desire, I am to pay to the Welland Canal Company, the sum of £1,000, in addition to the check for £500, which was dated the 17th ult., making, together, £1500. I now enclose you a check for £500, and will let you have £500 more next week if you like. Mr. Yates stopped all discount at the Banks, in his name, as he will pay up all he owes without going into Bank; he, consequently, requested me to get back the two notes in your possession, as they are virtually useless—will you, therefore, please send them when you send for the remaining £500 to me. We shall soon be in funds to meet every thing, I hope.

Your's faithfully,

(Signed) OGDEN CREIGHTON.

There is also a loan to Keefer, entered in the petty leger; and in the 118th page of that leger, I find that Mr. Robert E. Burns, the lawyer, received a loan of £178 13 5 of the funds of the Company, without any authority of the Board of Directors, and that Messrs. Clark and Beaton collected $16¾ of interest for the same, from Burns, which is entered on the petty leger, as if the interest had been carried to account. Mr. Beaton, who keeps a cash book, in which his own and Mr. Clark's transactions are recorded, entered the interest collected from Burns, in that book, and when I perceived the £15 18 11 entered in the cash journal, I looked back some time, to see if the $16¾ was also entered in it, as it was a much older transaction; but found that Beaton had not made any such entry. There is also a loan to Mr. Butler entered on the petty ledger, but I see no authority quoted by the officers for making it from the funds of the Corporation. What would be said of the officers of the Bank of Upper Canada, if they were to loan the Bank funds without consulting the Board?

196. What facts are you prepared to adduce in support of charge No. 27?—This loan seems to have been contracted to pay Mr. McDonell's and other private debts, and as a fund for other purposes; 60*l.* went to Mr. Merritt. On the 31st July, 1834, $536 of it went to retire A. McDonell's note to W. H. Merritt, endorsed by O. Creighton, Commercial Bank. $400 of it was paid to Mr. Burns. Mr. McDonell's debt to Ferrie & Co. was paid, £50. James Fitzgerald, for McDonell got £81. Other £757 12 6 of it went to the Bank of Upper Canada, in September, to retire McDonell's paper there. On the 16th September there was a note in favor of J. B. Yates of £176 5s. A. McDonell had £75 out of the Tolls. In September, 1834, they had the $10,000, all out of the funds of the Canal. On the 1st of June, 1835, there stood a balance in the petty leger, as "Loan to J. B. Yates," the amount being £3,443, and on June 19. Mr. T. Dalton had £17 5s. from the same concern.

(OFFICE COPY.)

ST. CATHARINES, *June* 10th, 1834.

WM. H. MERRITT, Esq.,
President, &c.

Dear Sir:

In the arrangements required to be made by me consequent upon my agreement with the Company, a large sum of money must be paid by me, and if it can conveniently be done, I would be happy to receive from the Company the sum of £2,500, for which I will give my obligations to pay whenever it shall be required by the Company. This advance will be mere temporary arrangement, for which interest will be paid.

I am, very respectfully,
Your obedient servant,
J. B. YATES.

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197. What have you to offer in support of charges 28 and 29?—The expenditure in constructing and repairing the wooden locks on the Lake Ontario side of the Deep Cut, cannot be correctly obtained, by reference to the obscure, ill-arranged and irregular records of the Canal Office. Mr. Wenham established an excellent system for classifying expenditures, but it cost some labour and was (as well as for other reasons) abandoned. Phelps's bill was about $120,000; his additional contract for the Deep Cut locks after the slides, with the timber, would be about $6,000; there is also the Gravelly Bay lock, and the costly alteration in it; the repairs of locks by the commissioners in 1833; the repairs by the Company 1827 to 1835; pumping water out of lock-pits; embankments; excavation of the lock-pits; repairs of the ship-lock at Port Dalhousie, and a great variety of miscellaneous charges scattered through the estimates of several years. Last May and June we voted about ten thousand dollars for lock improvements, and two of the locks so attempted to be mended are already in ruins. Some well informed persons calculate the locks expenditure at $170,000; others attempt to shew that it has exceeded $200,000. The expense of lock tending, engineers, and repairs is greatly increased by the use of wooden locks—they are continually getting out of order. Not so with

stone locks, well attended to—once completed they endure for ages. In nothing are the locks built by Phelps's sub-contractors more deficient than in the puddling, an important process, respecting which better rules and regulations ought to be copied. The engineer has been very particular in his report concerning the state of the locks; I also have sought as much information as the Company's books and papers would afford, relative to the original cost, the materials used, the expense of repairs, their durability, and the charges for tending and probable cost of renewing them:

The first cost of all the locks on the Welland Canal was about $175,000—they are chiefly made of wood. From Mr. Hall's report, added to my own observation, I am convinced that the whole of them will soon require to be renewed; some of them are now in ruins. The charges for tending them are much higher than would be the case if there were substantial stone locks—the expense of repairs and renewals is enormous—the cost of renewing locks may be learnt from the Engineer's estimates—and the documents and facts I have collected and arranged for the use of the Legislature, have confirmed my opinion that in the disposition of some of the original contracts, favoritism, and a desire to lavish the funds on particular individuals influencing the management, were the guiding principles of the Board, and that by this means the public have suffered deeply and the best interests of the canal been sacrificed.

When the 34 locks were proposed to be let out by contract in October, 1825, the proposals were numerous—the excavation, embankment, puddling, and grubbing, formed no part of that agreement. Some persous offered to contract for $1,800, others for $1,850, and so up to $4,000. The offers were numerous.

Maxfield, $1,800 to $1,960.
Withey, Ward, Sayre, and Co. $1,950 to $1,975.
Brown and Taylor, $2,900 to $3,000.
Hayward and Pearce, $2,650.
Brundage, $292 per foot lift.

Extract from the Minutes of the Welland Canal Company.

26th October, 1825.

PRESENT.

Messieurs. Allan,
Keefer, and
Merritt.

Many proposals were delivered in for the construction of the locks, and some on lower terms or for a less sum than the offer accepted, but from the character and responsibility of the Company, as well as the importance of having this work properly and faithfully executed, the Board decided on letting the whole to Messrs. Beach, Hovey, Ward and Phelps, at the sum of £550 currency for each lock.

The following extract from the Journals when compared with these details, will shew how successful Mr. Phelps was in deceiving the country, as to his and Keefer's lock jobs:

House of Assembly,
Monday, Dec'r. 5th, 1825.

The Committee met.

Mr. Attorney General Robinson in the chair.

Oliver Phelps *called in and examined.*

Are you a contractor for any part of the Welland Canal?—I am a contractor for all the locks from the Welland to Lake Ontario, exclusive of the lock at the harbor at the mouth of the 12-mile-creek. There are 34 locks, and I have taken them at $2,200 per lock, which will complete them in the very best manner, entirely of wood.

Why have you not undertaken the lock at the harbor?—It was commenced and put under contract before I came in.

What are to be the dimensions of the locks?—Twenty-two feet in width and one hundred feet in length—(the chamber of the lock.)

Have you been asked to estimate what would be the increased expense of making all the locks thirty-six feet wide in the clear?—I have. I think it could be done for $20,000, including the excavation—thirty-two feet in breadth for about $16,000. I am sure it would not greatly differ from that.

Would any addition to the length be necessary for steam-boat navigation?—I think not, for a steam-boat of 150 to 200 tons, well proportioned. From the greater space required for opening the gates of the locks when widened, an additional length of about six feet would be advantageous. The charge for the additional length would be in proportion to that for the whole length of the side, and might occasion an additional charge of about $3,000 for the whole.

The contract for the locks was entered into on the 4th day of January, 1826, with Oliver Phelps, Smith Ward & Co., and John Legg. The locks were to be built of white oak and pine agreeable to a certain model; the size was 100 feet by 22, the price $2,200 per lock, or £18,700 for the whole 34 locks, which sum was fully understood to be to complete and finish them all. One-fourth of the contract price was to be retained, to ensure the fulfillment of the contract by the 1st of April, 1827.

To this contract the seal of the Company is attached, and it is drawn out, witnessed and executed in a business like manner, and altogether different from the slovenly and imperfect documents now in use.

It appears by the Company's books, that at the period when the contract was to be completed (1st April, 1827,) little more than a quarter of it had been fulfilled. The Company allowed Phelps at the same time to be a contractor for all the locks and for the Deep Cut; contracts of $300,000 value and which ought not to have been given to one person.

By the contract of 1826, five hundred and fifty pounds were to ensure the completion of each lock, and for the 34 locks the price was to be $74,800.

I find, however, the following estimate by Barrett, in 1828:

"*Estimate of thirty-four locks, Welland Canal.*

"Oliver Phelps, Esq., *Cr.*

"To 2 locks below St. Catharines at $3,691 each,	$ 7,382
"To 28 locks above St. Catharines at $3,434 each,	96,152
"To 4 locks on rocks, at $3,184 each,	12,736"

So that Messrs. Phelps, Geo. Keefer, and whoever else may have shared the profit of building the miserable patch-work called the locks with them, had paid them in cash $116,270 for building the 34 locks Phelps had engaged to build for $74,800—the difference being $41,470.

On the 13th day of June, 1827, Oliver Phelps applied to the Board of Directors to have the lock contract continued to him alone, and that Messrs. Smith, Ward, Hovey & Co. might be relieved from their share and responsibility in it. This was agreed to, and Phelps became the sole *nominal* contractor in the place of his friends who had brought him into

the country, and whose ruin was so speedily consummated. Phelps, as I have shewn, conciliated Keefer, the Director and Ex-President, by giving him a large and lucrative sub-contract. The proper course would have been to let out the locks under the supervision of careful engineers and superintendents—three or four locks to one contractor—two or three to another, and so on, according to their means.

The Directors of the Chesapeake and Delaware Canal, in their report to the Stockholders, 1826, thus state the results of their experience of very large contracts being given to one man :—

"The Board were now convinced of the error of committing so large a contract to an individual. Experience had taught them, that it was not safe to surrender so considerable a portion of the interests of the Company into the hands of one man, who, should he prove incompetent, intractable or faithless, could cause them much provocation and anxiety, and even mar some of their best efforts for accomplishing the duties assigned to them. By parcelling out the work to several, the failure of one would be attended with little comparative injury, and that injury could be more speedily repaired."

MINUTES OF THE BOARD OF DIRECTORS.

PRESENT

Messieurs Dunn.
J. H. Boulton.
Robinson.
Col. Wells.
D'Arcy Boulton, and
Keefer.—6.

The Directors particularly called the attention of Mr. Phelps and the Engineer to the state of the locks, and urged the necessity of a more strict regard thereto, and that they will not consider Mr. Phelps in the slightest degree relieved from his responsibility in that respect from the circumstances of his recent contract.*

(Office Copy.)

Canal Office,
St. Catharine's, Sept. 23, 1835

To Francis Hall, Esq.,
Engineer, &c. &c.

Sir,

In the course of my investigations into the expenditure of this corporation, I perceive, that in 1826, a contract was entered into with Oliver Phelps and others to furnish timber, iron, and other materials, and construct 34 locks, 100 feet by 22 in the chamber, agreeable to a model said to have been in the Canal Office.

The price for the whole was to be $2,200 per lock in full of workmanship and materials, and the lock pits were to be excavated by the Company. Marshall Lewis was to be the superintendent, and I perceive that another master workman of the name of John A. Benjamin was also employed to give an estimate of the work to be done on each lock, and that many thousand dollars have been paid to the contractor on this contract, over and above the stated price, although the locks were sub-let, and the work very badly fulfilled, long after the period agreed on. I am desirous to learn from you, officially, the regular and fair prices of the materials and the workmanship, taking Benjamin's and Lewis's estimates of such materials as your guide as to the quantity; and the regular and usual prices paid at the time, as shewn in the Company's books, as the rates to calculate by. I would also like to be informed of the sum which ought to have been paid to a contractor for a lock 100 feet by 22, say for each of the four locks built by Phelps after the slips at the deep cut, the timber being furnished him, as was the case, although the plain reading of the contract appears not to have warranted such a course.

I am,
Respectfully yours,
(Signed) W. L. MACKENZIE.

* Meaning that for the Deep Cut.

St. Catharines, *Sept.* 23, 1835.

To W. L. Mackenzie, Esq., M. P. P., &c. &c.

Sir,

In reply to your communication of this date, I beg leave to submit the accompanying statement, being *first* an estimate founded upon a particular specification for locks upon the Welland Canal by Mr. Lewis. The prices of timber, iron, &c. are taken from the current rates of that date. Total expense of lock by that specification is $2,058 51.

Secondly, comparing this estimate with the quantities exhibited by Mr. Benjamin, in his report, dated 20th June, 1827, of materials *delivered* and *required* for locks, from Nos. 5 to 30, it will be observed that the total expense of a lock by this estimate is $2,329 89.

Thirdly, the expense of a lock of the ordinary dimensions for 100 feet by 22 within the chamber, timber being provided, according to the above data, is $1,108 32, and tenders have been received by the Company to execute a lock, all the materials provided, for $1,250, exclusive of earth work.

The expense of a lock, according to contract with Mr. Phelps, is $2,200, this contract comprehends 34 locks, equal to	$ 74,800
Upon two of these locks, 32 feet wide extra estimate	2,100
Total of 34 locks, according to contract	76,900
Extra work, recommended by Mr. Thomas, Principal Engineer, dated Nov. 1826, £5,991 2s. 11d., equal	23,964 59
Less, 4 Mountain Locks founded upon rock	1,000
Total of Lock work, according to contract	99,364 59
	$ cts
Mr. Barrett's final estimate of the above	116,412 44

Excess, above estimate, per contract 16,547 dollars and 85 cents.

The sum of $116,412, ultimately paid for these locks, has been extremely liberal, and this extra expenditure might have been considered as well applied, had the work been executed in a substantial and faithful manner; but taking into consideration the great deficiency of workmanship generally existing, a destitution of treenails and ordinary fastenings, in the mountain locks, my opinion is that the extra expense has not only been a total loss to the Province, but has involved an expenditure in repair that cannot easily be calculated.

Sir,
I have the honor to be,
Your very obedient servant,
FRANCIS HALL.

After Mr. Hall had sent me the letter I have already laid before you, he handed me the following memorandum concerning Mr. Squires' portion of the Phelps locks :

Lock Contract by Phelps, Notes by the Engineer.

"Mr. Squires states that upon his taking the sub-contract under Mr. Oliver Phelps for building four locks at Thorold, he was to receive from Phelps, for each, the sum of $1050, all timber, iron, and other materials to be found by Mr. Phelps, also one or two yoke of oxen, if required. For said sum of $1050, Squires was also to construct a waste weir to each lock 40 feet wide, all materials being provided, but as no waste wiers were required by the Engineer upon either of these four locks, Mr. O. Phelps deducted from Squires the sum of $50 for each waste weir. Keefer supplied the timber. Previous to this deduction of $200, O. Phelps agreed, by a memorandum in his books to give Squires $50 extra upon each of his locks, or $1,100 in all for each lock, in consequence of extra work done by Squires beyond his original contract, this Phelps has hitherto failed to do, besides reducing the contract price to $1000 for each lock, notwithstanding that Phelps received from the Canal Company for building each of these locks the sum of $2,200, besides $1,300 and upwards upon each lock in addition to his original contract. All the above, Squires is ready to confirm."

I have already shewn that Mr. Phelps had assured a committee of the Assembly that $2,200 would complete each of the 34 locks in the very best manner, and even at that it appears he made a profit.—After all, he did his work in a disgraceful manner, and by a charge of which the following is a detailed

copy, saved thousands by a job, which, after much labor and money has been wasted on it, is now fast going to ruin.

The original of the following is in the hand writing of Phelps.

"*Estimation of the expense of a Lock agreeable to the calculation made on Marshall Lewis' specification.*

9,852 feet string pieces, flooring and back timbers, ... *at* $9	$ 886	68
15,828 of face and other square timber, ... *at* $10	1582	80
6,720 feet round ties, ... *at* $3	201	60
800 feet sheet piling plank, put in, *at* $2	16	00
600 feet inch boards, put in, ... *at* $1	6	00
800 feet gate plank, worked in, .. *at* $2½	20	00
3,680 feet of plank in bottom, worked in, ... *at* $2¼	90	00
2800 lbs. lock irons, ... *at* $12½	350	00
4 paddle gates, cost at Black Rock, ...	200	00
Transportation and duties, ...	28	00
4 step irons and gudgeons, ...	11	00
300 lbs. spikes, ... *at* $14	42	00
Add for the extra expense in laying up with long braces, ...	50	00
	$3484	08

I afterwards wrote and sent the following letter to Mr. Phelps:

CANAL OFFICE, ST. CATHARINES,
September 23rd, 1835.

MR. OLIVER PHELPS,

Sir:

In my examination of the accounts of the Welland Canal Company, I find matters connected with your extensive transactions, which appear to me to need more explanation than I am able to obtain without referring to yourself—I therefore wish you to step over to the office, where you will be detained a very short time.

Your obedient servant,
W. L. MACKENZIE.

I had some conversation with Mr. Phelps, which in no respect altered my opinion, which is, that he ought to refund the $30,000—The first contractors for the Deep Cut were Ward, Hovey & Co. In the report of the Directors, understood to be by Dr. Strachan, they are described as "well qualified for the undertaking," and such must have been the opinion of the Board, for Clowes offered to contract for 16 cents, while Hovey & Co. asked 25. Mr. Clowes accused Mr. Merritt with being a party concerned with them—this they denied—and Mr. Clowes, senr. was then discharged. Hovey had also £696 allowed him for expences incurred in preparing to tunnel the Deep Cut. Speaking from memory only, I would say that more than £40,000 were paid these contractors.

During the first twelve months after the Canal was organized, £250 were paid in by Mr. Hovey as a stockholder, while only £369 13s. 9d. were paid in by all Upper Canada besides. Hovey & Co. at length became embarrassed; Ward died, as it is said, of vexation; and Hovey returned to the States. Their capital stock payments were returned to them at the settlement, in all £3,562, and Oliver Phelps, who then had the contract for nearly 40 locks at the time, made strong efforts to get the Deep Cut contract out of the hands of the original contractors, although they were his friends, and it was by their advice he came into the country. He succeeded in supplanting them, and after many allowances had been made him, was a defaulter for thirty thousand dollars when the slips took place in the Deep Cut, November, 1828. His lock contract was shamefully executed, yet he found no difficulty in inducing Messrs. Keefer, Merritt & Co. to part with the security they had on his property; and I have reason to believe that he is now a man of very great wealth.

ST. CATHARINES, *July* 2, 1825.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

We will refer to a proposal made yesterday as the basis of this, and we will further propose that we will do all the grubbing and the excavation at the Deep Cut, let it be rock, hard pan, or quicksand, for the sum of twenty-eight cents per cubic yard.

Respectfully, your obedient,
E. S. BEACH.
SMITH WARD.
ALFRED HOVEY.

They sent in a third proposal on the same day, three cents lower, and offering security.

Mr. Merritt, in his account of the Welland Canal, 1827–8, thus describes the Deep Cut, or dividing ridge between Lakes Erie and Ontario:—

"The entire distance through this cut is one mile 54 chains, averaging about 44 feet cutting. To the depth of from 12 to 18 feet from the surface, it is composed of clay, with a small mixture of sand, and below this, tenacious—blue clay."

It is remarkable that the Directors and their agent should have neglected the salutary warnings of the majority of the persons proposing to excavate, whose proposals to excavate carefully excepted hard pan and quicksands. Mr. Merritt omitted to tell his readers that a layer of quicksand would be found within bottom level in this important part of the Canal, but far below the blue clay.

Mr. Merritt proceeds to state, (page 2,) that the excavation, which commenced in September, 1825, contained 1,477,700 cubic yards, of which, at the close of 1827, only 370,000 yards remained to be removed. At 25 cents per cubic yard, the price agreed on by Ward and Hovey, the whole expense would not have exceeded $369,425 for excavating the cut to bottom level; but it so happened that, after that sum and much more was expended, the quicksand, or rather the manner in which Phelps fulfilled his contract, prevented the completion of the work.

Mr. Hall, the Engineer, informs me that he was present when Ward, Hovey & Co. sank a shaft in the Deep Cut, and that when the men who were

working came down to the quicksand, the sand and water rose so quickly upon them, that it was with difficulty they escaped with life. The water nearly filled the shaft; this was before the excavation.

Although it was the universal topic of conversation, that the Deep Cut was bedded in quicksand, and, of course, unable to sustain, upon such a foundation, surmounted by soft clay, the immense weight of the banks of the Deep Cut, yet the Directors took no pains to obtain a full knowledge of these facts, until they had expended nearly £100,000 in the useless excavation. It was in vain that many prudent contractors personally, and in their proposals for excavation, warned them, and excepted the quicksand and water from their offers, otherwise unconditional. The Board of Directors took no heed.

When Mr. Martindale and several other gentlemen who had given in propositions to excavate the Deep Cut, informed me of facts like these, I went and examined the proposals made to the Office in 1825, 1826, and 1827, the years before the disastrous slips took place, and their contents fully confirmed what I had heard.

They are these :—

"*July* 1*st*, 1825.—Messrs. John Donaldson, John Richardson, William Porter, and William Parker, offered to contract for part of the Deep Cut, except quicksand, rock, or hard pan. (Section No. 1.)

June 28*th*.—Messrs Thomas Paterson and John Coulter, offer for Section No. 5 on the summit ridge, to the bottom, also No. 6, "all excepting rock and quicksand."

July 1.—David Thompson, Duncan Kennedy, James McNaughton, Peter McArthur, David Thorburn (now one of the Directors for the Colony) and Andrew Thompson, offer to take Sections No. 1 to 6, and to complete the same "with the exception of quicksand or hardpan."

July 1.—David and Richard Thompson, for Section 2, make the same exception.

July 1.—Alexander Campbell and Co., for Section 1, excluding water, quicksand, hardpan, and rock.

July 1.—J. B. Lowry, excepts such obstacles "as rocks, quicksands, or an unequal quantity of water," in offering for Section 5.

July 1.—Wm. E. Perrine, Sylvester Lothrop, S. Hecox and John Drake, at the harbor in the Chippawa, would charge $1 per cubic yard if they came to "quicksand"

The above contractors, and Robert Blevins, Thomas Benedict and others, offer for 6 sections at less than 25 cents—but to have a dollar if they came to "quicksand."

July 2.—Norton, Camp, and others propose, for "quicksands" from 34 to 40 cents.

July 1.—Simpson, Brainard and Co. would take double price for excavation of "quicksand" and "all excavation of rock, hardpan, and quicksand, and all necessary extra pumping and ditching," to be at the apprisal of the Engineers, &c.

October 25 —Pratt and Simpson, provide that "quicksands" &c. are to be prized by the Engineer, if any are found.

October 25.—Henry Robinson and Co. except in their offer, "rock, quicksand, and hardpan."

October 25, 1825.—E. S. S. Pelt, offer for several sections, but provide that "rock, water and quicksand to have extra pay, if found."

October 25.—T. Brundage also excepts quicksand, hardpan, and rock :

"As does John Richardson, in his offer to excavate Section 14.

July 2.—Fenton and Williams propose to construct a lock at the Chippawa, and do certain excavation ; and, they add, "run our own risk of rock, hardpan and quicksand." Alfred Hovey went their security and John H. Dunn's signature shews that their contract was accepted. *It never was fulfilled.*

John and James Clowes offer for 6 Sections, requiring no addition for "quicksand," &c. *except where met with in the lower level.*

July 1.—Bell, Richardson and Co. annex a proviso to their proposals, that if "any quicksand or hardpan should appear in the within sections the Commissioner shall value the same."

So early as the 15th of July, 1828, I find a bill and a return of 258 men, 7 yoke of Oxen and three horses, who "had worked by the direction of Mr. Barrett, deepening part of the canal," "in consequence of a large portion of the banks giving way." Yet, singular enough, no attempt was made to ascertain the nature of the bottom by sinking wells, although experience might have warned them as it had many an honest contractor.

There were other contractors who made exceptions of quicksand in offering for the excavation of the Deep Cut, viz :—the three Hartwells, 2d June, 1825 ; Elijah Kilbourn, July 1, 1824 ; Samuel Horn, Elihu Ewers, Wm. Buell and John Goodin, July 1, 1825 ; George Conolly, John Richardson, and Francis Galbraith ; Abra Dibble, James Johnstone, and Alex. Vanalstine.

Excavation of the centre Ditch is worth seventy-five cents ℔ cubic yard to bottom.

Excavation of whole width is worth fifty cents ℔ cubic yard finished complete to bottom, with the exception of quicksand, water, &c.

LORY DAVIS.

May 26*th*, 1827.

Mr. David Thomson writes from the "Deep Cut, "10th Nov. 1828 ; From the last slip to Chippawa "the clay below its surface is such that water redu- "ces it to a soft substance that cannot resist the hea- "vy banks."

On the 26th of May, 1827, the Board met at the Deep Cut—Present, Dunn, two Boultons, Robinson, Wells, Keeffer, and Clark.

Oliver Phelps offered to contract for "the whole of the remainder of the Deep Cut at 25 cents, with an allowance of 2 cents additional per cubic yard for machinery." This the Board agreed to—and Mr. Phelps then executed the agreement to complete the work according to the said terms in six months from 26th May 1827. He did not fulfil his contract, no trace of which I can find in the canal office beyond the envelope in which it appears to have been wrapped. Hovey and Ward had subscribed liberally to the Canal Stock. Phelps, within a few days after he got Ward and Hovey turned out of the work subscribed for ten shares only—these he had transferred to him by Mr. Merritt. I do not believe that Ward & Hovey were the partners of Mr. Merritt the Agent; but it is also said that he was the partner of Phelps, which I think far more probable, altho' I do not know that it was so.

On the 16th of May 1827, Mr. Phelps writes to Mr. Merritt, anxiously desiring that the contract for the Deep Cut excavation (over and above his 34 locks contract) should be taken from the other contractors and given to him and makes a variety of propositions, offering also about $20,000 value in property in security.

On the 21st he again writes with a variety of propositions and apologies to the other contractors.

And again, on the 26th, suggesting that the excavation might be to his management as one concern, And another letter on the 2nd of June on the same

subject. He was to complete the excavation of the whole of the Deep Cut that same year, 1827.

Mr. Phelps is said to have excavated about 500,000 yards of earth at the Deep Cut, on his contract between June 1827 and December 1828—the prices per scale ranged from 20 to 34 cents. but this quantity is at variance with other statements which will be given in evidence.

On the 7th July 1827 he gave a bill of sale of his oxen, horses, teams, &c. to the Welland Canal Company, to whom he had also mortgaged his real estate in security of monies advanced him on the locks and Deep Cut contract.

The following deduction by the Canal Board from the money that had been lent this speculator, left him still $30,000 in debt to the Company.

Resolved, 1st Feb'y, 1830—That the following sums be placed to the credit of Oliver Phelps on his contract at the Deep Cut, viz:

To allowance finishing Rowley's job after he left,	$ 800
For do. on cattle, teams, &c. continuing the same on land,	500
For loss on sale of cattle, the same allowance having been made to other contractors when Mr. Phelps took the work,	2,491
To wintering the same after the work stopped,	1,077
For superintendence at the aqueduct, as per agreement with Vice President and Agent,	1,000
For two years services as profferred,	2,000
£1967,	$7,868

31*st May*, 1832.

PRESENT

Messrs. Dunn,
Macdonell,
Randal and
Butler—4.

Mr. Phelps business was submitted to the Board, which was considered of too much consequence to receive any decision of the present meeting, and it is therefore referred to a future and full Board of Directors. In the meantime the Engineer is directed to state most fully the whole of the particulars in relation to those locks done under the contract of Mr. Phelps of which there appears to be a variety of opinions as to the mode of construction and deviation from model laid down for adoption, according to contract.

6th June, 1832.

PRESENT

Messieurs M'Donell,
Butler,
Creighton,
Warren, and
Randal—5.

Mr. Phelps' application was further deferred.

Resolved, That upon the application of Mr. Phelps the mortgages on his property held by the Company be given up to him.

Extract from the Minutes of the Board, May 1, 1833.

PRESENT

Messieurs M'Donell,
Keefer,
Butler, and
Creighton—4.

"14. Shews a list of the accounts due to the Company on their books; and as it is more than likely but a small part of the same will be collected—

"*Ordered*, That those accounts be closed, and an account opened, to be entitled '*Bad Debts*,' and that the balances be transferred to the debit of the same, crediting said accounts with any amounts which may hereafter be received, and also with whatever old balances appear in the Company's books to the credit of any individual."

Under this supposed authority, the following entries are made on the debtor side of the account:—

"PROFIT AND LOSS."

D. Kennedy	£	17	10 0
Smith, Ward & Co		523	12 1
John Tenbrooke		50	0 0
John Hartwell		159	2 0
Sylvester R. Hathaway*		261	17 0
J. Vanmorman		31	11 3
J. Vanderburgh		0	18 9
—— Beadle		9	12 3
Andrew Roley		194	0 0
O. Phelps		7,580	1 4
Calbreath & Lax		567	3 3
Thomas Proctor		3,428	3 7
Irvine M'Naught & Co		3	12 0
	£	12,827	9 4

M. Phelps also applied for the privilege of water for his stills.

Extract of a Letter from Oliver Phelps to the Honorable President and Directors of the Welland Canal Company, dated Deep Cut, 1st September, 1827.

"I have, therefore, commenced building a large stone distillery, to run 100 bushels per day; size of building to be 66 feet by 60, with one or two run of single geared stone in one end, for chopping the grain. I have also a well of 70 feet in depth, 15 of which is water, and will afford two barrels a minute. I wish to pump this water by means of water power, which will supply all the principal uses of the distillery.

"To accomplish the above purposes, and use on my farm, I humbly trust your Honorable Body will not deem it a liberality improperly bestowed, to grant me a deed of so much water as will pass through one of the cast iron paddle gates, which is 3 feet by 2 1-2; and as a remuneration to the Company, I will deed to them the ten or twelve acres of land occupied by the Canal across my premises, and also an acre of ground at each of the five locks, if wanted by the Company for hydraulic purposes"

(OFFICE COPY.)

ST. CATHARINES, *6th July*, 1827.

WM. H. MERRITT, Esq.

MY DEAR SIR,

It is with heartfelt emotion that I say to you the course that has been taken with us, destroys me. Was I the only suf-

* Since prosecuted, and a part recovered from him in the United States. No prosecution was commenced against Mr. Phelps; but so strict was the Company in some cases, that it was ordered to bring an action against Mr. Trotter, of this town, for a supposed balance or debt of a few pounds, if an action would lie.

ferer, my lips would be closed. But, alas!! it is not the case—I have a tender and affectionate wife, with her little ones, who look to me for their support; for whom I was blessed with a comfortable living previous to my present disaster. *Unfortunate, unfortunate.* I submit; it is the frown of Providence. My creditors must prey upon my effects so long as there is a crumb to feed their gorgeous appetites; not only so, but looked on with contempt and disgrace. I must be looked upon as unfit or incompetent, lacking energy or judgment, or both, and not worthy to be entrusted with any work of importance hereafter. I see the force; I feel the effects; I have acted in good faith, discharged a clear conscience, for which I can answer to my God.

Adieu,

S. WARD.

(OFFICE COPY.)

LOCKPORT, *April* 1, 1833.

W. H. MERRITT, Esq.,
St. Catharines, U. C.

DEAR SIR,

I am disappointed in not meeting you at this place. You will recollect that the last time we met was at this place, when you told me that a judgment against your Company would be of no value. The favor that I now ask of you is, answering a plain question, whether it will be good at any future time, and if so, when.

You will recollect that at the commencement of that project, I entered heart and soul in it. I put my *all at stake*; more than $25,000 was expended before a dollar was received—this was effected through the confidence I had in you, and an influence I had at that time with some of our best business capitalists and most efficient and persevering operators. The course taken by the Board of Directors, in connection with prejudicial influence exercised by Mr. Barrett over David Thomas, in making his estimate of the value, made a beggar of Ward (who died in consequence of it, in the opinion of his physicians, friends and neighbours.) The loss I sustained, and the circumstances that I was left under, you need no information from me on that point; General Beach lost no time, and only a few thousand dollars.

If a sense of feeling, as a man, of duty, or of justice, prompts you to answer the question I ask, and give me your impartial and candid advice, I earnestly and most respectfully request it.

Your obedient servant,

ALFRED HOVEY.

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198. Your 18th charge, respecting the Hydraulics, will require to be supported by a detailed statement of facts. Are you prepared to submit such a statement to this committee?

A number of important documents which throw considerable light on the transactions connected with the Hydraulics, were reported to the House, appended to the first report of the Directors on the part of the Province, about a month ago.

The House of Assembly appointed a special committee, last winter, which reported by Dr. C. Duncombe their chairman, that it was inexpedient to sanction the re-purchase of the Hydraulics until further enquiries had been made. These investigations have since taken place. When Mr. Yates and Mr. Merritt found that the Hydraulic Company could not be incorporated, they wished to bargain with the Canal Board to take the Hydraulics back again—and these were the terms which Mr. Yates' nominees in the direction made with themselves in their Hydraulic partnership capacity for the re-conveyance.

They agreed that Messrs. Yates, McDonell and Creighton should retain as their own the valuable village lots and farm on the summit level of the canal, near the brow of the mountain, together with a supply of water from the canal forever, to propel the machinery of mills they had built in that first rate situation, viz:—

2 Run of Stones for their Grist-Mill,
2 Mill Saws, an over-shot Wheel,
1 Carding Machine,
1 Fulling Machine,
1 Circular Lath Saw,
1 Shingle Machine, and
1 Machine for cutting Ships' knees.

Also, all the money they had previously obtained for Mill privileges and land sales.

And 140 acres, being lot 27, at Gravelly Bay or Port Colborne, the grand entrance of the ship Canal from Lake Erie, an invaluable property, being remarkably well fitted for town lots in a situation which must become a populous city if the Welland Canal is kept open.

The money, property, and water power, thus retained from the Canal Company, I consider to be worth, at a moderate valuation, £10,000.

In addition to this £10,000 the Canal Board were asked to give their bonds, as a Company, for other £17,500, currency, bearing interest at 6 per cent., as a further inducement to Messrs. Yates McDonell, and Creighton, otherwise the Hydraulic Company, to give up the residue of their purchase, upon which I have not been able to ascertain that they had ever paid one shilling. And the bonds were given by the Canal Directors to the Water Company accordingly!!

The transaction is thus recorded on the day book.

"Bonds payable, Dr. to Alexander McDonell, agent for Hy-
" draulic Company.

"For the (Canal) Company's bonds, payable to order of Alex.
" McDonell—dated 1st September, 1834—numbered 1 to 70—
" payable 1st January, 1874—with 6 per cent. interest, payable
" half yearly, on 1st of January and 1st of July—commencing 1st
" January, 1834—70 bonds at $1000 each—£17,500."

Here was a bold and it is as yet a successful attempt to extract, perhaps £27,500 from the impoverished exchequer of the Welland Canal Company, in the shape of lands, water-power, cash, and canal bonds transferable and bearing interest, and that for what may be said to be less than no consideration at all. The Canal Company were to have had conveyed to them the remainder of their own property and water power, which had been alienated by the sham sale, also the undivided two-thirds of 36 acres of lands purchased of Oliver Phelps (a defaulter to the Canal for $30,000 and upwards,) and the improvements made on their lands at Marshville, of a value so trifling as scarcely to be worth naming.

Mr. Thompson of Wainfleet's letter, given below, shews the sense he had of the value of the Marshville improvements. It is as follows:

WAINFLEET, *October* 14th, 1835.

Dear Sir:

I delayed answering your letter of the 2nd instant, with a hope of gathering the proper information from those capable of giving it. I am still uninformed, and therefore can only give my own opinion, which, from my not being accustomed to Mills, is hardly to be relied on. The Grist-Mill at Marshville, I would suppose, must have cost something like £500, and is of *some value*. The Saw Mill might have cost £250, but cannot be of any more value than the Irons, for it cannot run on account of back-water, the tail race could not be enlarged so as to discharge the water without an immense expense, which it could not

subject. He was to complete the excavation of the whole of the Deep Cut that same year, 1827.

Mr. Phelps is said to have excavated about 500,000 yards of earth at the Deep Cut, on his contract between June 1827 and December 1828—the prices per scale ranged from 20 to 34 cents. but this quantity is at variance with other statements which will be given in evidence.

On the 7th July 1827 he gave a bill of sale of his oxen, horses, teams, &c. to the Welland Canal Company, to whom he had also mortgaged his real estate in security of monies advanced him on the locks and Deep Cut contract.

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Adieu,

S. WARD.

(OFFICE COPY.)

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W. H. MERRITT, Esq.,
St. Catharines, U. C.

DEAR SIR,

I am disappointed in not meeting you at this place. You will recollect that the last time we met was at this place, when you told me that a judgment against your Company would be of no value. The favor that I now ask of you is, answering a plain question, whether it will be good at any future time, and if so, when.

You will recollect that at the commencement of that project, I entered heart and soul in it. I put my *all at stake*; more than $25,000 was expended before a dollar was received—this was effected through the confidence I had in you, and an influence I had at that time with some of our best business capitalists and most efficient and persevering operators. The course taken by the Board of Directors, in connection with prejudicial influence exercised by Mr. Barrett over David Thomas, in making his estimate of the value, made a beggar of Ward (who died in consequence of it, in the opinion of his physicians, friends and neighbours.) The loss I sustained, and the circumstances that I was left under, you need no information from me on that point; General Beach lost no time, and only a few thousand dollars.

If a sense of feeling, as a man, of duty, or of justice, prompts you to answer the question I ask, and give me your impartial and candid advice, I earnestly and most respectfully request it.

Your obedient servant,

ALFRED HOVEY.

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198. Your 18th charge, respecting the Hydraulics, will require to be supported by a detailed statement of facts. Are you prepared to submit such a statement to this committee?

A number of important documents which throw considerable light on the transactions connected with the Hydraulics, were reported to the House, appended to the first report of the Directors on the part of the Province, about a month ago.

The House of Assembly appointed a special committee, last winter, which reported by Dr. C. Duncombe their chairman, that it was inexpedient to sanction the re-purchase of the Hydraulics until further enquiries had been made. These investigations have since taken place. When Mr. Yates and Mr. Merritt found that the Hydraulic Company could not be incorporated, they wished to bargain with the Canal Board to take the Hydraulics back again—and these were the terms which Mr. Yates' nominees in the direction made with themselves in their Hydraulic partnership capacity for the re-conveyance.

They agreed that Messrs. Yates, McDonell and Creighton should retain as their own the valuable village lots and farm on the summit level of the canal, near the brow of the mountain, together with a supply of water from the canal forever, to propel the machinery of mills they had built in that first rate situation, viz :—

2 Run of Stones for their Grist-Mill,
2 Mill Saws, an over-shot Wheel,
1 Carding Machine,
1 Fulling Machine,
1 Circular Lath Saw,
1 Shingle Machine, and
1 Machcine for cutting Ships' knees.

Also, all the money they had previously obtained for Mill privileges and land sales.

And 140 acres, being lot 27, at Gravelly Bay or Port Colborne, the grand entrance of the ship Canal from Lake Erie, an invaluable property, being remarkably well fitted for town lots in a situation which must become a populous city if the Welland Canal is kept open.

The money, property, and water power, thus retained from the Canal Company, I consider to be worth, at a moderate valuation, £10,000.

In addition to this £10,000 the Canal Board were asked to give their bonds, as a Company, for other £17,500, currency, bearing interest at 6 per cent., as a further inducement to Messrs. Yates McDonell, and Creighton, otherwise the Hydraulic Company, to give up the residue of their purchase, upon which I have not been able to ascertain that they had ever paid one shilling. And the bonds were given by the Canal Directors to the Water Company accordingly!!

The transaction is thus recorded on the day book.

"Bonds payable, Dr. to Alexander McDonell, agent for Hy-
" draulic Company.

"For the (Canal) Company's bonds, payable to order of Alex.
" McDonell—dated 1st September, 1834—numbered 1 to 70—
" payable 1st January, 1874—with 6 per cent. interest, payable
" half yearly, on 1st of January and 1st of July—commencing 1st
" January, 1834—70 bonds at $1000 each—£17,500."

Here was a bold and it is as yet a successful attempt to extract, perhaps £27,500 from the impoverished exchequer of the Welland Canal Company, in the shape of lands, water-power, cash, and canal bonds transferable and bearing interest, and that for what may be said to be less than no consideration at all. The Canal Company were to have had conveyed to them the remainder of their own property and water power, which had been alienated by the sham sale, also the undivided two-thirds of 36 acres of lands purchased of Oliver Phelps (a defaulter to the Canal for $30,000 and upwards,) and the improvements made on their lands at Marshville, of a value so trifling as scarcely to be worth naming.

Mr. Thompson of Wainfleet's letter, given below, shews the sense he had of the value of the Marshville improvements. It is as follows :

WAINFLEET, *October* 14th, 1835.

Dear Sir:

I delayed answering your letter of the 2nd instant, with a hope of gathering the proper information from those capable of giving it. I am still uninformed, and therefore can only give my own opinion, which, from my not being accustomed to Mills, is hardly to be relied on. The Grist-Mill at Marshville, I would suppose, must have cost something like £500, and is of *some value*. The Saw Mill might have cost £250, but cannot be of any more value than the Irons, for it cannot run on account of back-water, the tail race could not be enlarged so as to discharge the water without an immense expense, which it could not

warrant—and moreover, water cannot be spared there to drive it. The whole, in my opinion, would prove a bad investment at half the sum above quoted.

Dear Sir,

Your obedient servant,

(Signed) D. THOMPSON.

W. L. MACKENZIE, Esq.
D. W. C. C.

The item £4,333 5s., in the credit taken as in part for the interest on the original purchase of the water power, is made up of the interest on the Bonds of the Company, given to Mr. Yates and his nephew for the *nominal* consideration of yielding up the least valuable part of a property he never paid a farthing for!!

The Mills at Allanburgh on the top level, thus withheld from the Company by some of its Directors, are infinitely more valuable privileges than those at St. Catharines and on the short levels on the face of the mountain, because the canal summit level is many miles long, and in seasons when the Mills and Machinery on short levels would be stopt for want of water, the Allanburgh Mills would be continued night and day. I understand they have been kept going night and day all last summer, although now and then with great inconvenience to loaded schooners passing on the canal. The feeder canal to Dunnville was widened and deepened at great cost to the country, in order that the Hydraulic privileges might be rendered more valuable to the Stockholders and the Colony.

The document purporting to be a deed to the Welland Canal Company, from Alex. (Yates) McDonell, Esq. on the part of the Hydraulic Company, is signed by him, but not by the President of the Canal Company, nor is the seal of the Corporation affixed to it. The date is Nov. 17th, 1834, the consideration money named, £37,500. Mr. McDonell re-conveys to the Company, in Humberstone, lots 27, 28, 29, 30, 31, 32 and 33 in the 4th concession, 27 in the 5th, the North halves of 29, 30, 31, 32 and 33 in the 3rd, and South parts of 23, 24 and 25 in the 5th, = 2,440 acres.

In Wainfleet, 13000 acres. In Thorold, the West half of 29, and the West half of 30, = 100 acres. In Grantham, the undivided $\frac{2}{3}$rds of 36 acres, part of lot 16, 6th concession, (the Phelps property.) (excepting certain village lots at Port Robinson, and at Marshville, 150 acres, sold to Guy Atkins; John Akin 50 acres, and village lots to several persons; also to Henry Harper 100 acres, Wainfleet; to Mr. Wm. Simpson 100 acres in do.; and in St. Catharines, 5 village lots to O. Phelps, = $1\frac{1}{4}$ acre; 4 do. to R. E. Burns, = 1 acre.) Also all the other lands that had been conveyed to the said Alex. Yates McDonell by the Company, except the lands at Allanburgh that had been conveyed to the Company by S. Swayze and Garrett Vanderburgh, and the surplus water of the canal.

There is a bond and mortgage to the British Government, which affects every thing, I believe, except the lands.

I endeavored to ascertain the amount of money the Hydraulic Company had raised from the sale of lands and the lease of water power, besides what they retained in their own hands; but whatever it was it must have far exceeded the value of the shares of Phelps's 18 acres or of any improvements made on the property that has been returned to the Company.

CANAL OFFICE, ST. CATHARINES,
September 24th, 1835.

ALEX'R MCDONELL, Esq.
St. Catharines.

SIR,

I should be glad to receive at your earliest convenience,

1. An account of the monies received by the late Hydraulic Company for water power and privileges during the time it had the controul of these matters, stating also by whom the payments were made.

2. Any information you can give relative to the obligation the canal company or yourself are under to compensate Mr. Davidson for the loss of the Lot No. 27, 1st con. Gravelly Bay—I received from Mr. Street yesterday a copy of your Bond to him on that subject, and as the matter has been referred to the Provincial Directors for a long time past, I hope you will afford them the means of reporting, so far as it is in your power.

3. I am desirous to know whether you have given any titles or agreed to give any titles for part of the Lot at Gravelly Bay; I mention this because there is the greatest probability that a decidedly unfavorable report will be made to the Legislature touching the proceedings relative to the water power and alienation of lands.

I am, Sir.
Your respectful and
Obedient Servant,
W. L. MACKENZIE.

To this letter Mr. M. received no answer.

The moment the House of Assembly and the Company had decided that the grand outlet of the canal was to be at Port Colborne, they ought to have secured it at a fair price, for the benefit of a body of stockholders who have paid nearly $500,000 in good faith, altho' receiving no dividends the benefit of such of the adjoining lands as were for sale, at a fair price. Instead of doing so, Mr. Merritt the Agent secured for himself from 100 to 200 acres on the one side of the canal, while the 140 acres on the other side were made over to Mr. McDonell. The 140 acres had been drawn by some other person; but as no patent had issued from the Crown, the Company made interest with the person who appeared to be entitled to it under a bond from his father, and the Vice President gave a bond in his favor for $1,000 to Mr. Street he having purchased a farm in another place from that gentleman, which that sum would have repaid. Upon an assurance from the Company that the Davidsons, the true owners, would be fairly dealt with and receive an equivalent, the Executive Council recommended that a patent should issue under the great seal to the Welland Canal Company, who got the deed in March, 1834, and almost immediately after conveyed it to their Vice President, Mr. Alexander Y. McDonell, Mr. Yates's nephew, and representative. This they did by the following minute:

8th MAY, 1834.

PRESENT.

Messrs. Merritt,
Macdonell,
Keefer,
Duncombe, and
Creighton.

"The Company have agreed to convey to the Hydraulic Company the land in Humberstone, which was promised to them by government, the deeds for which were not then executed:

"*Ordered*—That the President be authorised and requested to execute a deed for Lot No. 27, in the 1st Concession of Humberstone, to Alexander McDonell, Esq. the agent for the said Hydraulic Company, in compliance with their original agreement."

See also minutes of 26th October, 1830, and 11th May, 1831.

Instead of settling with Davidson or his family, Mr. McDonell asked the Canal Company to bestow on him (Davidson) another of the farms yet in their possession, as some compensation for the injustice done him by the Governor and Council in conveying his (Davidson's) property to the Canal Company.—The effect of this proceeding would be to give Messrs. McDonell, Yates, and Co. the Gravelly Bay lot free, and to Davidson other 200 acres of the Company's lands for allowing McDonell to keep it! Davidson petitioned the Legislature last winter, but until lately the merits of his case were not generally understood.

In the report of the Board of Directors, dated March 1st, 1833, and signed by Alexander McDonell, Wm. Chisholm, Wm. Elliott, Geo. Keefer, Ogden Creighton, and Thomas Butler, they inform the Legislature and the country (page 22,) that "Port Colborne has been retarded in consequence of "the Company not getting a title to the land adjoin-"ing the harbor. As soon as this difficulty is dis-"posed of, a number of individuals are ready to "erect buildings; and from its favorable position, a "large town will suddenly supply the place of a "sunken marsh, wholly unfit for cultivation, but "which has, by the operation of the canal, been ef-"fectually rendered valuable." This much for 1833. In 1834, as soon as the government had given the Company a title to the site of this future city, the Board made it over by deed to Mr. McDonell their Vice President, in trust for himself, Mr. Creighton, and Mr. Yates!!!

The situation for mill power at Gravelly Bay or Port Colborne, at the ship lock into Lake Erie, may possibly prove an important one, and perhaps if it had been offered on a lease to the highest bidder, on reasonable conditions, would have yielded a handsome income, but the favoritism which has all but destroyed the usefulness of other sections of the canal, was not slow in reaching Port Colborne.—Mr. A. Y. McDonell got the front farm on one side of the harbor, and Mr. Merritt grasped at the front farm on the other; then, without any order of the Board, or lease, or indeed any authority whatever, Mr. Merritt, the contractor, Capt. O. Creighton, a director, H. B. Ostrum, foreman to Merritt, Mr. McDonell, the Vice President, Thomas Scott, and H. Slate, took possession of the best situation for mills and machinery, and began to build as extensively as if it had been their own private property. I remonstrated with Mr. Merritt in July on the impropriety of his being so deeply connected in speculations which he had admitted the stockholders were desirous their President and Agent should avoid, but it was of no use. At length, in September last, a letter applying for the mill site was placed before the Board, signed by Hiram Slate for the partners. Mr. Thorburn and I contended that Directors ought not to be concerned in such speculations, and as the Legislature had declined to sanction the bargain of the water power, their application was refused.—Messrs. Merritt, McDonell, and Creighton could not well vote a lease to themselves, and Mr. Thorburn and I went in the negative, until the Legislature should express an opinion. The President addressed a letter to us, but we took no steps in the matter, being a minority at the Board. In 1830 Mr. Merritt was asked, "What may be the value of the water privileges owned by the Company? His reply was, that "Within two years they will bring us £1,500 a year." It is now five years and I am not sure that the Company have realized £750 in all since the commencement.

St. Catharines, *2nd September*, 1835.

To Messrs. Mackenzie and Thorburn,

Gentlemen:—Fearing the opinion you express in relation to water privileges will prove injurious to the interests of the Company by preventing the erection of machinery by creating distrust and lessening confidence in the proceedings of the Board.

With a view of promoting those improvements generally, I have taken a share in the Colborne Mills—which is erroneously supposed to possess extraordinary advantages. To test the truth of which it is my desire to relinquish all interest in them, as well as all other interest I possess in any water privileges on the line. In order that they may be disposed of to the best advantage for the interest of the Company, by repaying me the amount of my outlay.

I am Gentlemen,
Your obedient servant,
W. H. MERRITT,
President W. C. C.

Messrs. Merritt and Creighton came forward again, the next Board, and were for voting themselves the lease, but Mr. Thorburn and I opposed them, and Mr. Butler said he would await the action of the House of Assembly. So we foiled them for that month. In my absence at Quebec last November, they again applied to themselves, in their capacity of Directors, and authority was at length given to Mr. Merritt to lease to the two Messrs. Merritt and their associates, the valuable falls and mill sites at Port Colborne, in the following form:—

"Whereas individuals have made application for water privi-"leges on the line of the Canal, in pursuance of the order of the "Board, and *some*, in *good faith*, have proceeded with their "erections; it is ordered, that the President (Mr. Merritt) be "authorized to make out leases to all such applicants on the "*usual* terms."

Mr. Thorburn alone could not make much opposition to other four, all interested in granting themselves leases, so he protested and declined to vote. They passed another resolution to grant Thomas Butler a lease as follows:—

"Whereas Thomas Butler, Esq., has applied to the Board for "a lease of water power at his mills, (Merritt's,) *agreeably to* "*the resolution of the Board upon this subject*—Resolved, that "the President be authorized to grant Thomas Butler his lease "without further delay."

So that while the State of New York is passing laws solemnly prohibiting persons who are concerned in the Canal management from holding or leasing water power on Canals which yield great revenues, a knot of individuals who have risen in Canada on the ruins of our inland navigation system, are allowed to sit in conclave to contrive how best to divide among themselves the best hydraulic situations, for nothing, or at little more than a nominal consideration, and at a time, too, when the Legisla-

ture has declined to admit their right to make such leases, and ordered an enquiry. They form standing orders to meet their own convenience, and say that the public has an equal chance.

I select from the late Mr. Randall's report concerning the mill site which Messrs. Merritt, M'Donell, Creighton, and friends have seized hold of, his opinion, given when he was acting as the Parliamentary Commissioner, in 1830, before Port Colborne or the Canal ending there came into existence.

"At whatever place on the lake the ship canal shall termi-
"nate, there will be a fall of probably six or seven feet, with a
"never-failing supply of water for mill purposes—a most impor-
"tant acquisition, should the navigation terminate in the Sugar-
"loaf settlement; for on the lake shore, in a distance of forty
"miles above Fort Erie, there is but one mill site, which, though
"an indifferent one, was obtained by laying upwards of six hun-
"dred acres of fertile land under water many years ago, present-
"ing an unpleasing spectacle to the eye, and generating fever
"among the settlers."

Whether the Mill Company have or have not obtained a lease, or whether the fall of water has or has not equalled the expectations of the persons who compose that Company, I have had no means of ascertaining.

Copy of a Minute in Council, approved by His Excellency the Lieutenant-Governor, upon the Petition of Mr. James Davidson for a grant of Lot No. 27, *in the* 1*st Concession of the Township of Humberstone, heretofore located by Wm. Dickson, late of Stamford, deceased.*

In Council, *8th May*, 1833.

It is respectfully recommended, that the order in Council of the 14th November, 1831, be rescinded, and that the Petitioner be recognized as the true claimant to whom the Welland Canal Company shall be required to transfer any lot, unlocated, upon the line of the Canal, which may be selected by him, subject to the approbation of the Commissioners appointed during the last to report upon the Welland Canal.

JOHN BEIKIE,
Clerk Executive Council.

Copy of a Minute in Council on the Petition of James Davidson respecting Lot 27, *in the* 1*st Concession of Humberstone.*

In Council, *8th May*, 1833.

It is respectfully recommended that the order in Council of the 14th Nov'r, 1831, be rescinded and that the Petitioner be recognized as the true claimant to whom the Welland Canal Company shall be required to transfer any lot unlocated upon the line of the canal which may be selected by him, subject to the approbation of the Commissioners appointed during the last session to report upon the Welland Canal.

On the petition of A. McDonell the following order in Council, 20th March, 1834.

Recommended that the patent prayed for, do issue to the Welland Canal. They having complied with the terms of the order in Council to the Lot in question.

Dear Sir:

In looking further into the matter, I find the two subsequent orders in Council, which I send you herewith copies of.

Yours truly,
JAMES STANTON.

Executive Council,
17th March 1835.

On the issuing of the patent from the Crown for Lot No. 27, in the front of Humberstone in the county of Lincoln in the District of Niagara, in the name of the Welland Canal Company, I agree to pay Samuel Street, Esquire, or order the sum of £250, currency for the said Welland Canal Company for value received by the said William Davidson's transfer of all right in and to a certain bond made to him and by one James Davidson obligatory to transfer on the issuing of the patent in the name of the said James Davidson as heir-at-law of the late William Dickson, and providing the said William Davidson delivers to me for the said Welland Canal the bond of the said James Davidson to him so made as aforesaid.

The said sum of £250 to be paid to the said Samuel Street or order for and on account of William Davidson, when the deed for the said Lot No. 27, in the township of Humberstone in the first concession on Lake Erie shall issue in the name of the said Welland Canal Company, and provided also that the said William Davidson shall on or before the expiration of five days from the date hereof surrender and deliver unto Alex. Macdonell the undersigned, the said James Davidson's bond unto the said William Davidson, conditioned for the transfer of the said Lot unto the said William Davidson his heirs or assigns, and assign the same to the said Welland Canal Company.

Witness my Hand and Seal at Wainfleet this 21st day of December, 1832.

(Signed) ALEX. McDONELL, [L.S.]

In presence of

[L. S.] PATRICK McEWEN.
[L. S.] JOHN McEWEN,

Articles of Agreement made this 9*th day of June in the year* 1834, *between the President and Directors of the Welland Canal Company and Alexander McDonell, John B. Yates and Ogden Creighton of the second part.*

Whereas, the Welland Canal Company have heretofore sold to John B. Yates the real Estate and Hydraulic Power belonging to said Company for the consideration of £25,000 as the same is more particularly described in a Deed from the Welland Canal Company to Alexander McDonell who holds the same for the party of the second part—And whereas the said Alexander McDonell executed a mortgage for the said consideration money, and accompanied by a Bond as collateral for the same amount payable in ten years from the first day of January 1832, with the interest thereon, payable yearly on the first day of January—And whereas further it has been thought advisable on the part of said Company to re-possess the greater part of said property so as to enable the Company more fully to controul the operations on said Canal. It is therefore AGREED by and between the parties aforesaid in consideration of the sum of £17,500, the said Alexander McDonell shall re-convey to the said Welland Canal Company a l the aforesaid Hydraulic Power and Real Estate, except the part lying on the mountain near the East end of the summit level at a place called Allanburgh and the lot and property at Gravelly Bay—And also that the said Alexander execute to the said Company a conveyance of such property as may have been purchased by him near the village of St. Catharines from Oliver Phelp's together with an assignment of all obligations yet due and unpaid, and all leases for property or water power sold or leased, or all other portions of said property except that reserved at Allenburgh as aforesaid, the said conveyances to be executed when required by said Company after the following conditions shall be complied with. The said Company on its part agrees to execute in due form of law a discharge of the Bond and Mortgage aforesaid, and issue also when required the notes or obligations of the Company for £17,500, in sums of £250 each, payable in the year 1874 on the first day of January, bearing an interest of 6 per cent per annum, payable half yearly on the first day of July and January at the office of the Welland Canal Company to commence running on the first day of January last, the said obligations shall be drawn payable to the order of Alex. McDonell and endorsed by him, the seal of said Company being first impressed thereto and signed by the President of the Company and countersigned by the Secretary, and that the same be then transferrable by the holder thereof as shares of the capital stock in said Company are now transferrable except that an indorsement by the holder thereof shall be a sufficient evidence of transfer instead of a regular Power of Attorney—that a separate book shall be provided for the entry of such transfer.

It is further agreed that if in consequence of any Legislative alteration of opinion heretofore expressed in relation to such an arrangement, the Legislature shall at their next Session by resolution express an opinion that such re-purchase is not necessary, the said Welland Canal Company shall be desirous to rescind this agreement now made and shall within three months after give due notice thereof to the said party of the second part, stipulate in case the property shall be placed in the state in which it now is, they will consent to such a measure and will return to the Welland Canal Company all the Bonds or Obligations which shall have been issued and received as aforesaid.

And Whereas the income from the property thus reconveyed and sold to the Welland Canal Company may not equal for a short time the semi-annual interest on the obligations the said party of the second part agree that if the amount of the reserved rent money received, or sales and proceeds of sales of timber or any product of the land shall not equal the semi-annual interest on the obligations aforesaid—they will pay an amount sufficient to pay such deficiency to the Treasurer of the Company by way of rent for the property and water at Allanburgh and the lot at Gravelly Bay.

In witness whereof, the said Welland Canal Company have caused the Seal of the said Company to be affixed to this Agreement, and signed by the President; and the said party of the second part have set their Hands and Seals at the Canal Office in St. Catharines on the day and year aforesaid.

(Signed) Wm. HAMILTON MERRITT,
President W. C. C.
ALEXANDER McDONELL,
J. B. YATES,
OGDEN CREIGHTON.

Signed, Sealed, and Delivered }
In presence of }
(Signed) JOHN CLARK.

A True Copy,
J. CLARK,
Secretary W. C. C.

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199. What have you to state in support of the fifteenth charge?

The Canal Directors have sent four missions to London. 1st. The Hon'ble Peter Robinson, 1825; 2nd. Mr. Hamilton Merritt, 1828; 3rd. Mr. J. B. Yates, 1830; and 4th. Mr. H. B. now Chief Justice Boulton. The latter was more properly Mr. Merritt's agent, for the seal was put by him to the power of attorney, which Mr. Boulton carried home, contrary to the rules of the corporation, and without the knowledge of the then President of the Company, who was much displeased when he come to learn the nature of the transaction.

It appears that at the Canal Board, held at S. Catharines, in September, 1825, a question was brought under consideratian relative to the sale of £100,000 of stock in London; that Messrs. Irvine, of Quebec, and S. McGillivray, of Montreal, were to arrange the documents to be sent to England to induce capitalists to subscribe—that to the venerable Archdeacon Strachan had been referred the task of compiling the report for London, which he had done—that no regular meeting of the Board had met to adopt his performance, and that at this casual meeting Mr. Henry J. Boulton proposed himself as the Agent to proceed to London, on condition of having his reasonable expenses, not exceeding £300 sterling, defrayed by the Board. The Canal Board consented to his going, in case the next regular monthly Board should think fit to adopt Dr. Strachan's report, agree as to the tenor and form of the power of attorney to be given him, and authorize the President to sign and affix the Company's seal to it, accompanied with suitable instructions. No sooner, however, had the canal Board separated than Mr. Boulton drew £300 sterling, of the Company's funds from New York, persuaded his friend Mr. Hamilton Merritt to affix the seal of the corporation to a power of attorney, authorizing him (Boulton) to dispose of the £100,000 stock, and collect the cash in London, and without waiting for the confirmation of the President or the approbation of a regular meeting of the Directors to these proceedings, he set off for London, *via* Quebec, Montreal and New York, and endeavoured to persuade Messrs. Irvine and McGillivray to alter the Archdeacon's report without the knowledge of the Board of Directors, so that he might pass it off in London as the act and report of the Canal Board.

(Office Copy.)

Simon McGillivray to Hon. James Irvine.

Montreal, *October* 4th 1825.

My dear Sir:

After I had the pleasure of seeing you at Saratoga, I proceeded to the Westward, and on my return from Detroit, and after visiting York, in Upper Canada, being at length about to take a view of the Welland Canal, according to the intention which I mentioned to you, I induced Mr. Dunn, the President of our Board of Directors, to accompany me, and on the 19th ult., sailed for Niagara, where, on our landing, we heard of Mrs. Dunn's arrival at New York from England, and our worthy President instantly set off to meet her—leaving the Canal concerns to the care of his colleagues, all of whom, excepting yourself, (namely, Mr. Solicitor General Boulton, Mr. Keefer, and Mr. Merritt,) I found assembled at St. Catharines.

I mention the composition of our meeting thus minutely, because our proceedings were of rather an important nature, and as they have not yet received that collective confirmation from the Board, to which I understood they were to be submitted, I am desirous that every member of the Board should have the opportunity of exercising his judgment upon them, or at least on that very important part of them, on which I am now principally to address you.

Our first proceeding was to fill the vacancy made at our Board by Mr. Buchanan's retirement, which we did by electing the Hon. Wm. Allan of York, whom I consider a valuable acquisition to our Board. To this election Mr. Dunn had previously assented, and I anticipate entire approbation from you. We determined that the *Locks* of our Canal should be 22 feet in width, instead of 20, as formerly proposed, and that for the reception into the harbor at the 12 mile pond, of the largest vessels on Lake Ontario, the entrance Lock into that harbor should be 32 feet wide, 125 feet long and 10 feet deep, besides the lift of 5 feet into the pond. We determined to make a dam and waste weir across the River Welland to regulate its level, and to adopt the plan of the *Deep Cut* across the Cranberry Marsh, from the Grand River to the Welland, thus making Lake Erie at once the summit level, and the feeder of our Canal, and in order to preserve to the Company the benefit of a never-failing supply of water, thus ensured, and of the numerous mill seats along the course of the Canal, from the commencement of the descent to its entrance into the Lake, we resolved to take possession of the whole of the land on both sides of the Canal, for that distance, to the length of 2 chains back from the bank thereof, or the bank of the *ravine*, through which it is partly to be conducted. All these measures I conceive to have been very highly proper, and the merits of them all had been previously discussed, and virtually decided—nor was it likely, from the peculiar composition of our Board, that a more numerous meeting could be found to adopt them formally. The next proceeding to which I have to request your attention, was a more sudden measure, and as at present a little more responsibility of it rests upon myself than I am quite satisfied with, I wish by submitting the matter entirely to your consideration, to induce you to share this responsibility with me.

The documents which in June last were promised to be prepared for you and myself to arrange finally, and to transmit to England, in order to obtain the capital of £100,000, which we still require, have, it seems, been all along in preparation, and are not yet quite ready. *One* important part of them, the proposed *Report* had recently been referred to Dr. Strachan, who had, when I got to York, prepared a very able and satisfactory,

though rather a voluminous paper on the subject, and this paper was one of the documents under consideration at our meeting at St. Catharines—as also the manner of transmitting and managing the proposed appeal to England Our colleague Mr. Boulton, having at present some disposable time, in consequence of the return of the Attorney General, proposed himself to undertake this mission to England, on condition merely of his reasonable expenses (not exceeding £300) being paid, and we at once passed a resolution accepting his offer. It was arranged that the report which we had read should be revised, and a few passages modified—that a further meeting of the Directors should be held, to decide finally on that and other papers, and to give Mr. Boulton the necessary instructions and authority for his proposed mission, and that he should then come down to receive recommendations, &c., from you and myself, to our friends in London, by whose means it is hoped the capital may be obtained

Mr. Boulton has been rather quicker in his motions than I was quite prepared for. I only arrived here on the 1st instant, and by the same day's post I received the inclosed letter from him, with an amended copy of the Report. Yesterday he himself made his appearance, and to-day he embarks for Quebec, to confer with you on the subject. He has not brought down the original Report. There has been no meeting of the Directors to approve of the alterations which have been made, or to confirm any of our proceedings at St. Catharines. And the Engineer's Reports, Plans, &c. are not yet arrived, so that we are rather unprovided with documents of any kind, and Mr. Boulton is anxious to sail for England by the packet ship of the 16th from New York. He argues that we are authorised to draw up and manage the whole thing, but I do not entirely agree with him, and in the proceedings of corporate bodies on very important subjects, I am unwilling entirely to depart from form, or to incur too much personal responsibility. In this mission Mr. Boulton must have certain credentials and certain instructions. Now, if you and I are to give recommendations, or if you please, credentials, it at least appears to me that the instructions should have something of a formal character—such as the signature of the President, and that the Report should have been finally agreed to at a meeting of the Board. In his anxiety to reach England by the 15th or 16th November, Mr. Boulton has over-leaped these forms, and is in fact going upon a roving commission, unless some authority and instructions shall be framed for him; and the question is, what are they to be? and by whom are they to be given? Mr. Boulton informs me that certain documents with the plans, &c., are to be here in a few days, and if he can satisfy you as to any substantial mode of proceeding under the circumstances of the case, I shall agree to whatever you approve.

I am not starting imaginary difficulties, and in this matter, which has already been too long deferred, I admit the benefit of expedition, but I am equally anxious that Mr. Boulton's documents should be satisfactory in every respect, because, otherwise, I fear his mission will fail, and if so, we shall do harm instead of good.

I wish it was in my power to accompany Mr. Boulton to Quebec, but at present, having only just got home, after an absence of six weeks, I cannot possibly get away. I therefore leave the matter to yourself and Mr. Boulton, and I shall be glad to hear the result of your deliberations.

I remain with respect,
My dear Sir,
Very truly your's,
SIMON McGILLIVRAY.

(An Official Copy.)

Montreal, *October* 12th, 1825.

Hon. J. H. Dunn, and

Hon. Wm. Allan.

Dear Sirs:

Mr. Boulton has at present a power of attorney to raise £100,000, if he can, and to negotiate for it with whom and in what manner he may think fit. I may be mistaken, but I think the very extensive nature of this commission would startle cockney capitalists, who, be it remembered, are a very timid and suspicious race as to all things out of their reach and beyond their knowledge. When a new Company is once formed and its stock at a premium in the market, people will buy it readily, who, if you proposed it to them in the first instance, would consider it one of the bubbles which at present almost every day produces in London, and with which every project not very respectably introduced is in danger of being classed. My opinion therefore is, that Mr. Boulton's power of *attorney* and blank *scrip receipts* from the Welland Canal Company, will obtain few subscriptions in England, unless they have other support. My idea was to have addressed a general letter to certain intelligent and leading individuals in the city of London, who, if they could be once induced to embark in this project, would at once ensure its success, and from the mere circumstance of their names being engaged in it, would at once fill your subscription, and bring your stock to premium. To these individuals, however, ample information must be given, and the chief benefit I expected from Mr. Boulton's mission, was that his local information would be useful in explaining the particulars of the case to them; for I did not dream that he or any agent should be authorised to raise money, or issue scrip receipts except in concert with, or under the direction of a committee of such individuals, and I apprehend that his being authorised so to do would tend to prevent public confidence from being placed in the project.

The nominal and legal par of Exchange is well known, 5s to the dollar in Canada and 4s 6d in England, but the real and equitable rate of Exchange, in time of peace is regulated by the real value of the dollar in England (where it has no lawful value) which is very nearly 4s 2d or equal to Bills of Exchange on England at 8 ℔ cent premium—at this rate our shares which are £12 10s currency would be £10 8s 4d st'g, and all future instalments and dividends would be payable at the same rate, which would avoid fractions in calculating any rate ℔ cent (£10 8s 4d being 2500d, on which 1 ℔ cent would be 2s 1d and so on,) and if there were any loss or gain on any fluctuation in exchange, it would be for the general account of the Company.

The instructions to Mr. Boulton must, to a certain extent, be discretionary, and, to a certain extent, depend on the opinion of the friends who may be inclined to support him in England, and yet he ought to be restricted by *some* instructions, else those who give powers without instructions, will be considered very extraordinary persons. To conclude this hasty and irregular scrawl, (but really I have not time to reconsider it,) I recommend the whole subject to your serious consideration, and if you request the assistance of Dr. Strachan and the Attorney-General, I dare say they will afford it, in coming to some decision on the points which I have suggested, in order to be embodied in Mr. Boulton's instructions, and then I shall be happy to introduce him and to vouch for his mission wherever my introduction may avail; but at present, with every thing left to my own mere suggestion, without documents which ought to have been before me, and without time to bestow the attention which so important a subject requires, I trust you cannot be surprised or dissatisfied with the line of conduct which I deemed it right to adopt.

I remain, with regard,
Dear Sirs,
Yours, very truly,
SIMON M'GILLIVRAY.

(An Official Copy.)

Montreal, 14*th October*, 1825.

Hon. J. H. Dunn, and

Hon. Wm. Allan.

Dear Sirs:

In further reference to the subject of the Welland Canal, and the instructions to be sent to England, it appears to me that we must for some time at least have a resident agent there, besides Mr. Boulton, and as such agent must be paid, he ought at the same time be the Secretary of the London Committee; but that body will of course appoint their own Secretary, and we therefore should think of a person likely to be considered eligible by them. Mr. Galt is the first person that occurs to me, both from some previous connection with the Province and with the Directors of the Canada Company, some of whom are the persons who ought, if possible to be of our committee.—No money ought however to pass thro' the hands of any *Director* or *Agent*. The deposit on subscribing and the subsequent instalments ought to be paid into a banking house in London, and drawn from thence by bills of exchange signed by three members of our Board, and which should be paid into the Bank of Upper Canada in compliance with that clause of our Act which provides that all our funds are to be there deposited. The Bank will of course allow us the current rate of exchange, or if they do not, the Bank of Montreal will, and thus, in either case, the money can be safely deposited at York. In the case of dividends

hereafter, a similar course can be pursued, the amount declared on the English part of the capital can be remitted in one sum to the Banking House in London and the Agent there, who will keep regular transfer books, will issue certificates to the Stockholders, to entitle them to receive their dividends at the Bankers. Thus I think a machinery may be constructed, not very complex, and yet ensuring that sort of regularity with which the proceedings of all public bodies ought to be conducted, and in which I fear our proceedings hitherto have on some occasions been wanting.

I trust I shall not be considered unnecessarily punctilious in remarking upon the recent proceedings founded on my own suggestions as to Mr. Boulton's mission, but they really appear to me very deficient in regularity. Three Directors, of whom Mr. B. was one, at a *casual* meeting, resolved that Mr. B. be requested to proceed on this mission, and that his reasonable expenses, not exceeding £300, be paid. The resolution, however, contains this limitation, viz: "subject to such instructions as he shall hereafter receive from the Board";—without, however, waiting for such instructions—without waiting for a regular meeting of the Board—or any confirmation of the resolution in question, Mr. Boulton at once draws for the £300, and Mr. Merritt puts the seal of the corporation to a Power of Attorney, under which it appears to me Mr. B. might, if he pleased, and if he could get the money, raise any sum he thought fit—apply it to any purpose he thought fit, and leave the Company answerable for it. As to the £300, I am aware that an order for the payment appears on the minutes, but I deny that any such order was given, and Mr. Merritt will recollect, when he mentioned to me afterwards that such an order had been signed by Mr. B. that I expressed surprise and disapprobation; though I did not think fit to interpose, and only said I should have nothing to do with the proceeding. I beg I may not be understood to mean or to insinuate, that in all this there was any thing intentionally wrong, but if we suppose it possible that any of our successors might be capable of abusing the trust confided to them, then I maintain that this loose system of proceeding may form a very dangerous precedent, unless some regulation be made to prevent any recurrence of it. There should be a particular regulation as to the custody and manner of applying the common seal. The seal should never be applied but by an express order of the Board, and in presence of at least two Directors, and the Secretary or officer certifyng or rather delivering the Deed, ought not I think to be himself a director. The delivery may then be regularly attested by witnesses, like any other instrument.

As to the proceedings of the Board, those which apply to transactions generally, must be final when once adopted because they amount to a contract with other persons, which we have no right to alter—such for instance as in the case of an Insurance Company granting a policy—or in our own case, the agreeing to a contract. But in any special or important matter, or new proposition, which may come before the Board, and be approved, I think there ought to be a by-law, or standing order, that until such matter or proposition shall have been communicated to all Directors within the Province, and confirmed by a subsequent regular meeting of the Board, it shall not be considered as finally adopted, nor shall any proceeding or engagement be founded thereon.

I commend all this to your consideration.

And I remain, Dear Sirs,

Yours faithfully,

SIMON McGILLIVRAY.

Extract of a Letter from Hon. Wm. Allan to W. H. Merritt, Esq. dated York, 15th Oct. 1825.

"In short it appears to me that Mr. Boulton is not provided with any thing but your grant of £300 st'g, and that he took care to get without loss of time for fear of another Board objecting to it, which I should certainly have done."

York, 17*th October*, 1835.

(An Official Copy.)

W. H. Merritt, Esq.,

St. Catharines.

Dear Sir:

I wrote to you in haste last post day, after receiving a letter from Mr. M'Gillivray, on the subject of Mr. Boulton going to England without any documents, plans, or reports of any description. He seemed to consider that Mr. B. had been much too premature in all his proceedings, and that it was not intended he should go till the thing had been again submitted to a full Board, &c. I hope, if you had any documents that was to follow Mr. Boulton, (or to be sent to Mr. M'Gillivray,) that you lost no time in forwarding them; as otherwise, Mr. Boulton's mission will go for nothing, and he will pocket your £300 sterling for going home to attend to his own bussiness. Dr. Strachan drew up a report for the President, which he, Mr. Dunn, took over with him to St. Catharines. Pray, have you any such thing in Dr. Strachan's hand-writing, or, indeed, in both, as Mr. Dunn promised to return the copy to Dr. Strachan. That report was a heading or subscription. At Home, was to be a part of Mr. Boulton's instructions. There was a letter, written by Mr. M'Gillivray, from Buffalo, on 26th August, addressed to Mr. Dunn, *as President, at St. Catharines*, containing a letter from Sir James Carmichael Smith, which Mr. M'Gillivray says he understood was not delivered to him; pray, do you know any thing of it? Since the receipt of this letter from Montreal, I have thought a good deal about the new contract that has been long advertised to be made on the 26th. Will you be so good as let me know by next post what you suppose the amount of the contract will be, or nearly. If it is for the whole line of the Canal, it must be very considerable. I suppose it is only for excavating—it has nothing to do with locks, &c. And I wish to know also if there is funds comatable; I mean actually as much *stock* now taken up, as the instalments, when paid in at different places, will meet the payments, or if you depend at all on any part of the stock reserved to be taken up at Home. I understood you there was £100,000 reserved for Home. If there is not funds enough to authorize this contract, independent of this stock you anticipate to be taken when Mr. Boulton goes to England, I certainly will not be one to engage with any person; because, although your contracts may be in the name of the Welland Canal Company, whereby any individual making it may be exempt from personal responsibility, nevertheless I would not engage in any way without seeing the means was fully provided for the payment, (more than if I was personally liable,) and I am not very certain but if we made contracts with people without having funds to justify it, we should as individuals be personally *liable* Will you also inform me how your former contracts run. They are, I presume, between the Welland Canal Company and the contractor—no person as a Director is named. It also appears to me necessary to have some more funds *in the Bank here* comatable than we have. I find that the Bank is in advance nearly £2,000, in consequence of the drafts drawn some time ago by Mr. Dunn, or the Vice-President, on New York, not having been given to the Bank, although they drew on the branch at Niagara for the amount, which they paid, supposing those drafts to have been given to the Bank. I think there ought always to be at least £1,000 in hand here to command upon any emergency; but at all events the Bank will not advance one shilling beyond their funds. The extent of what you are authorized to draw for at Montreal, Quebec, and New York, ought, in my opinion, to be drawn on or about the first of each month. These are things you, no doubt, can satisfy me *about;* but unless you can show there are funds sufficient to authorize new contracts to be made, I would not be one that will make any. I hope Mr. Dunn will meet us, as I shall be over, please God. I am well.

I am,

Dear Sir,

Your obedient servant,

W. ALLAN.

Extract of a Letter from W. H. Merritt, Esq., to Hon. J. H. Dunn, President of the Welland Canal Company, dated St. Catharines, 31st October, 1825.

"In the latter part of this day, I received the communication from Mr. M'Gillivray to yourself and the Hon. Wm. Allan, and lose no time in replying to and giving my opinion thereon.

"In the first place, there is a great misunderstanding between Mr. Keefer, myself, and Mr. McGillivray, respecting his concurrence to the immediate payment of the £300 to Mr. Boulton.—When Mr. Keefer mentioned to me that Mr. Boulton had made out the draft, I stated that I had never been paid until the mission was fulfilled, and in justice to myself must state most distinctly that I never would have consented to that payment had I not have conceived it had Mr. McGillivray's approbation.

"2ndly. It was clearly stated in our minutes, that a subsequent meeting should be held, but in consequence of the sudden departure of Mr. Boulton, and his stating to me in his letter that he would be off immediately and procure either Mr. Allan's or your signature to the Power of Attorney, and likewise conceiving the business could be arranged with Mr. McGillivray in Montreal, and that not signing and sending it, would create or cause delay on my part, I did so without hesitation

"I explained in writing to Mr. Allan the cause of my not seeing the letter addressed by Mr. McGillivray, it was given to Mr. Boulton and probably he has it with him."

Extracts from the original Letter.

YORK, *November* 5th, 1825.

W. H. MERRITT, Esquire,
St. Catharines.

Dear Sir:

* * * * * * * * *

Mr. Dunn and myself have had a meeting on the subject of the canal business, and he entirely disavows altogether the proceedings respecting Mr. Boulton which the more they are considered the worse they appear, Mr. McGillivray disclaims them also, therefore, what is to be done? When I come to look at the power of Attorney you gave me a copy of, which I now return—(which you say you affixed the seal of the Company to) I am quite astonished, and am very certain it was drawn out and worded by himself. You inclose me a copy of the minutes of the Board of Directors, said to be held on the 14th November, 1824, but I think you must have meant 14th April, 1325—Mr. McGillivray was not in the country in 1824. The power to Mr. Boulton is in complete contradiction to its contents—in the one it is ordered that the deposits from Stockholders in Great Britain are all to be paid to a Banking House *named* in London, and the power given to Mr. Boulton, under the office seal, is to authorise him to ask, demand, and receive, from all and every person, the amounts of their several subscriptions, and to give all needful and necessary receipts, scrips, and discharges in behalf and on account of said Company, and to appoint one or more agents. In fact, it authorised him, if he pleased, and if he could get the money, to raise any sum he thought fit—apply it to any purpose he thought fit—and leave the Company answerable for it. Now, what Mr. McGillivray says, is this, as to the £300—I am aware that an order for the payment appears on the minutes, but I deny that any such order was given, and Mr. Merritt will recollect, when he mentioned to me afterwards that such an order has been signed by Mr. Boulton, that I expressed surprise and disapprobation, though I did not think fit to interfere, and only said I should have nothing to do with the proceedings.

In fact, it appears to me that every thing has been done too hastily—and so irregular, not according to the general rules.—There should be no order or proceeding of a Board acted upon till the minutes and orders had been read and confirmed by a *subsequent meeting*, that, I believe is the practice in all *public* bodies. That partly arises from the circumstance of the office and all the business that is done being where it is—and, in course, except yourself and Mr. Keefer, or any other Director that may reside there, that will always be the case, things hurried over and away.

* * * * * * * * * *

I am perfectly disinterested, except so far as there is any cause for complaint or disappointment by any persons concerned—all who have any share of management or direction will be blamed. I am certain it is never the case wherever there is a common seal belonging to an incorporated body, it cannot be used except by the President or Vice President if there is any; and that under the authority and direction of the Board, and entered on the minutes. My idea, in which Mr. Dunn agrees fully, with respect to what should be done at home—we ought to have an agent there exclusive of whatever Mr. Boulton may do. No money whatever ought to pass through the hands of any Director or Agent; the deposits on subscribing, and the subsequent instalments ought to be paid into a Banking House in London, and drawn from there by Bills of Exchange signed by two or more members of the Board here, and which should be paid into the Bank of Upper Canada in compliance with the clause in our Act, which provides that all our funds are to be deposited in the Bank.

* * * * * * * * * *

There is another circumstances which strikes me will not bear examination as I perceive the stockholders at New York are much displeased. It was only a *casual* meeting of *three Directors* of whom Mr. Boulton was *one* where a resolution was passed called a request for him to proceed to England, and that his reasonable expenses not exceeding £300 be paid—the resolution, however, contains a limitation, viz; "subject to such instructions as he shall hereafter receive from the Board"—without waiting for such instructions—without waiting for a regular meeting of the Board or any confirmation of the resolution, he draws for the money. With respect to what Mr. Proctor says, he suggested to the President to draw on him at ninety days, through the Canada Bank, or get the Bank at York to loan on the stock which is gone to London; the latter is quite out of the question—could they suppose that the Bank would lend such sums as are required upon anticipation of selling £100,000 of stock there.

* * * * * * * * * *

I am, Dear Sir,
Your most obedient servant,
W. ALLAN.

(OFFICE COPY.)

To all whom these presents shall come—The Welland Canal Company in the Province of Upper Canada, Incorporated by Act of Parliament—send

GREETING:

KNOW YE that the said Company have constituted and appointed and by these presents do constitute and appoint Henry John Boulton of the Town of York, in the Province aforesaid, Esquire, His Majesty's Solicitor General for the said Province, to negociate wih any person or persons, bodies politic or corporate in England for the subscription of such and so many shares in the capital stock of the said Company as he may think proper, and for that purpose to open Books in the name of the Welland Canal Company for the subscription thereof, in the city of London or elsewhere as he may deem expedient, and also to ask, demand, and receive from all and every person and persons the amount of their several subscriptions and to give all needful and necessary receipts, scrips or other discharges therefor on the behalf and account of the said Company, and also to appoint one or more agents, for and on the behalf of the said Company to receive subscriptions or otherwise as he may judge to be for the interest of the said Company, hereby ratifying and confirming all and whatsoever the said Henry John Boulton shall do or cause to be done in the premises.

In testimony whereof, the said Welland Canal Company have caused their common seal to be hereto affixed at Saint Catharines, in the District of Niagara in the Province aforesaid, this 27th day of September, 1825.

W. C. COMPANY, [L. S.]

Countersigned.

WM. HAMILTON MERRITT,
Secretary.

(OFFICE COPY.)

YORK, *November* 7th, 1825.

W. H. MERRITT, Esquire,
St. Catharines.

Dear Sir:

As you have now put the whole line of Canal under contract, it becomes necessary for us to be on a more substantial footing than it appears we are at present. Mr. Boulton may, and he may not sell the stock. I am not without my fears and doubts—he, I think, was the most improper person to be employed on such a mission, and when the speculators in London see one individual with such power and authority as Mr. Boulton possessed himself of, is one strong reason, in my mind, that there should be some apprehension. I told you at first, when I heard the matter at St. Catharines (for other reports I thought not true) my opinion, and which I see no reason to alter, and which I most sincerely lament. I am very sorry such a transaction should have happened whilst I hold the office I do in the Welland Canal, and from this feeling I am induced to make these remarks. I, however, must disclaim all connection with it, and I trust I shall be exhonorated by the Company. I have written my mind and expressed my sentiments to Mr. McGillivray on it, and at the same time requested to know from him and Mr. Irvine what they recommend as to rescinding that Power of Attorney which Mr. Boulton holds, with the seal of the Company attached, which is a dangerous instrument in any person's possession, and must prove a loose system in our concerns. I have al-

so written Mr. McGillivray on other important matters connected with the Welland Canal.

Our first step, now, is to lose no time in our application to the House of Assembly, for which purpose I beg you will come over as soon as you can. I see many good reasons to make the application as early as possible, this will relieve our friends at New York, and it is incumbent on us to do something, if we do not, I think there will be some difficulty in prosecuting the work for the want of our instalments at New York. The money market at New York may grow worse, and all these circumstances we have a right to anticipate and guard against. I will thank you to bring over the cash book and also the journal of proceedings—this, I wish for my own satisfaction, and see our money concerns placed in a clear point of view. Be so good as bring with you all other information that may be wanted in our transactions with the House of Assembly. I think the seal of the Company should be deposited with the President, I am confirmed in this opinion from recent circumstances—I will thank you therefore to bring it over with you.

* * * * * * * * * * *

I am, dear Sir,
Your's very truly,
JOHN H. DUNN.

Extract of a Letter from W. H. Merritt, Esquire, to the Hon. J. H. Dunn, President of the Welland Canal Company, dated St. Catharines, 10th November, 1825.

"Since writing and inclosing the petition intended for the Legislature by this day's post, your letter of the 7th has been received; and must observe to you as I mentioned to Mr. Allan, the Power of Attorney was countersigned by me as Secretary *on the authority of Mr. Boulton as Vice President*, and under the expectation he would get your or Mr. Allan's signature affixed to it, besides I assure you for one, after Mr. McGillivray's proposing the measure for Mr. Boulton to go home for the purpose of obtaining the stock, I had not the least hesitation in placing unlimited confidence in him to make every necessary arrangement respecting the funds; more especially as it has ever been the practice of the Board of Directors to do so heretofore. Mr. Boulton it is true drew out this Power of Attorney himself—I had a similar one to obtain the stock formerly, and I hope most sincerely that Mr. McGillivray may not think it necessary to rescind that Power of Attorney without sending him another, otherwise a very great delay will again arise.

"I perceive by the turn this business has taken from Mr. Boulton's precipitate departure, that the whole censure is endeavoured to be placed on myself—I am perfectly willing to receive my share, as I am aware our proceedings were premature, but as I conceived Mr. McGillivray was the person to whom we looked up for obtaining the London stock, I tacitly agreed to the measures he proposed, and part of the design or execution should be imputed to me with the exception of the Power of Attorney—this was done under Mr. Boulton's representation, and under similar circumstances any other person would have done the same thing. If there are so many difficulties in procuring this London stock, besides the fear I apprehend of creating dissatisfaction among ourselves—it would have been much more to the interest of the Company to have had nothing to do with it—every thing else has gone on with the greatest regularity, and without trouble or confusion."

Extract of a Letter from Simon McGillivray, Esquire, a Director of the Welland Canal, to Honorables William Allan and John H. Dunn, dated Montreal, November 13th, 1825.

DEAR SIRS:

* * * * * * * * * * * *

I am aware that much may be said in favor of *local* management, but *local* management in order to obtain *general* confidence, must not be confined to any particular interest. Unfortunately for the Welland Canal, the gentlemen in the Niagara District, who stand highest in public estimation, and in the council of the Province are from the prejudice of local interests, hostile to the undertaking, and the only gentlemen, of sufficient consideration in society to have been appointed members of our Board from amongst the resident Stockholders, have undeniably local interests, which, in some cases, may be considered to sway their opinions. On this point some rumours have reached me, which I do not believe, which I will not repeat, and to which I allude *only* as a further reason for observing, in all cases, the cautious regularity in our proceedings, which may enable us, at all times, to trace every transaction to its source, and to give a sufficient account of every head of expenditure on our books. Now, the books which I saw at St. Catharines did not contain so regular a system of accounts, nor such a check on expenditure, as would be creditable to us, or, perhaps, satisfactory to our constituents, in the event of any question arising in regard thereto; and, considering all these circumstances, as well as the personal convenience of the Directors, resident at York, I have to express my concurrence in the suggestion of removing the office of the Company to York, and employing a regular accountant to keep the books, records and transactions of the Corporation, in a regular and business-like method. The resident Agent at St. Catharines can superintend the operations *at* the Canal, as heretofore, and pay such disbursements as he may be authorised to do by the Board of Directors; but we owe it to our constituents, and to our own character, that all decisions of important matters, should be *really* the proceeding *of the Board* and not of an Agent, on our behalf, or on the confidence of such a proceeding afterwards receiving an *expost facto* confirmation, when, perhaps, it may be too late to prevent an inexpedient measure; as, for instance, in the case of the Power of Atttorney to Mr. Boulton.

* * * * * * * * * * * *

To give to any individual such a Power of Attorney as Mr. Boulton now holds under the seal of our Company was I must always think a most unwise proceeding, but to *rescind* the same after being once given, is a matter which requires some consideration. I do not suppose there is any DANGER of Mr. B. making an improper use of this document, and indeed it would not be easy for him so to do, because people in England do not so easily part with their money, as to advance it on the security of an unknown Canadian Corporation; besides, that if it be supposed possible that Mr. B. could be capable of so acting, then a resolution to rescind the Power of Attorney would not destroy the document which is actually in his possession, and which he would still have the *power* of using if we assume that he is capable of so acting. The *danger*, if any, I take to be that Mr. B. or any gentleman in his situation might be offended by the suspicion implied in the revocation of his power, and it appears to pass a resolution appointing an Agent, and referring to Mr. Boulton as a Director, to give to this agent and to the Committee who may be induced to act in the matter all such information as his local knowledge may enable him to afford; and at the same time recommend to him by letter not to produce or attempt to act under the Power of Attorney which is considered, "by the Board as an instrument not likely to be satisfactory to the expected stockholders, or to the Committee who must in the first instance at least take the management of the funds to be contributed by such stockholders."

This I think would prevent any exposition of the power from being made, and I presume you and our successors will take care that no such case shall again arise.

I remain with regard,
Dear Sirs,
Faithfully your's,
SIMON McGILLIVRAY.

(OFFICE COPY.)

At a Meeting held at York, November 22d, 1825.

PRESENT—Hon. John Henry Dunn, *President*,
Hon. William Allan, *Vice President*, and
William Hammilton Merritt, Esq., *Director*.

The Board considering it will be necessary for the Welland Canal Company to have a resident Agent in England, provided the Stock is taken up which was reserved for that market in the first instance.

1st *Resolved*—That Henry J. Boulton, Esquire, His Majesty's Solicitor General, now in London, and one of the Directors of this Company, be requested to offer the situation of Agent under the direction of the committee who may be appointed, to Mr. Galt, who is now Secretary to the Canadian Land Company.

In order that the affairs of this Company may be conducted in London in such a manner as may be likely to meet with general

approbation to all concerned, and as the Canada Land Directors will, no doubt, feel the vast importance of this Canal to the Canadas, it would, in the opinion of the Board, be highly important that some of those gentlemen should be solicited to undertake the management of the Welland Canal Stockholders in Great Britain.

2d *Resolved*—Therefore that a committee be formed in London, consisting of not less than 5 gentlemen and that from Mr. Galt's personal knowledge of the Province, that he be recommended to this committee as a proper person to fill the situation of Agent, to conduct the affairs of the Welland Canal Committee in London, and that Mr. Galt's reasonable remuneration be fixed by the said cemmittee.

(Office Copy.)

Brockville, *4th August*, 1826.

The President of the W. C. C.
Welland Canal Office,
St. Catharines;

Sir:

I have the honor to enclose you for the information of the Board of Directors of the Welland Canal Company a copy of a letter from Mr. Galt declining (as I anticipated in my letter of the 3rd May last) the Agency of the Company in London on account of the total absence of any credentials which could warrant any person acting under them.

Upon receiving Mr. Galt's reply, I consulted with Dr. Strachan then in London, who perfectly agreed with me in thinking that it would only expose the Board to animadversion, and myself to mortification to attempt any thing further and I immediately made arrangement for leaving England without having accomplished the object of my mission.

Should the Board be inclined to send Mr. Galt proper authorities and credentials to act upon he will undertake negotiating the business in London, and altho' the times are extremely unfavorable for raising money for any purpose, yet I am of opinion he may succeed in getting the stock taken up, though I consider the result doubtful.

Had the proper credentials been forwarded to me, when they might and ought to have been transmitted, I could have had the matter decided one way or other, before I left London, and I have reason to think I could perhaps have accomplished my object, but being totally unprovided with authority, I could only speak generally of the affairs of the Company without making specific propositions.

I only arrived here this day, and am leaving as soon as possible for Cornwall to attend the Assizes, and therefore have written more hastily than I could have wished.

Your obedient servant,
H. J. BOULTON.

(Office Copy.)

York, *November* 22nd, 1835.

H. J. Boulton, Esquire,
London.

Sir:

A meeting of the Board of Directors took place this day, and the accompanying resolution transmitted for your information and guidance. I have to state, by order of the Board, that they conceive that the document which you hold, in the shape of a Power of Attorney, and to which is affixed the seal of the Company, is, in their opinion, a highly objectionable paper, and which they feel is an illegal proceeding, as it appears to have been executed without the proper authority and sanction of the Directors. It appears to the Directors that it is in direct contradiction to the resolution passed on September 20th, 1825, which is here enclosed, and altogether ill-calculated to execute the undertaking which you are entrusted with. They have directed me to request, for many reasons, that you will not make use of this their power, to any person, upon any account whatever—at the same time they expect you will make every exertion in accordance with the above resolutions to dispose of the stock, and to afford every information to the committee or agent, and to render that assistance to the purpose of your mission, that the Welland Canal Company have a right to claim from you.

By order of the Board.
I am, Sir,
Your most obedient servant,
J. H. DUNN,
President Welland Canal Co.

Extract of a Letter from Mr. Proctor, Agent for the New York Stockholders, to Mr. Merritt, dated January 7th, 1826.

"I hope soon to have your reply to my letter on the subject of the stock. I hope Mr. McGillivray will soon be here to take his departure for London, for I expect, or rather hope, nothing will be done till he arrives. It is to be regretted that Mr. Boulton had anything to do with it, and the sooner his power is cancelled the better. Reports are that he *was* going home on his own business—therefore, as a Director, it was his duty to look after the business without any compensation, except what the Directors might afterwards think proper to allow him."

(Office Copy.)

27, *Bury Street, May* 3rd, 1826.

The President of the
Welland Canal Company,
St. Catharines, Upper Canada.

Sir:

After calling four times upon Mr. McGillivray for papers which Mr. Merritt informed me, by letter of 22nd November last, were immediately to be forwarded to me, through him, respecting the Welland Canal, I received from him, on the 19th ultimo, the resolutions of the Board of Directors of the 22nd November, 1825, together with some copies of documents, unauthenticated, either by the seal of the Corporation, or the signature of any of its officers, and most of which I brought with me last autumn.

Therefore, after waiting six months for instructions, which, in November last, were declared absolutely necessary, I am nearly where I was when I arrived, so far as proper detailed instructions with properly authenticated documents are concerned.

The only information I am put in possession of, by thus waiting, is the estimate for the remainder of the route between the Deep Cut and Lake Ontario.

The delay in transmitting these papers, however, such as they are, I consider an unpardonable neglect in those who knew the importance of expedition, and were entrusted with the conduct of the affairs of the Company in Canada.

One paper, among others, was handed me by Mr. McGillivray, purporting to be a letter written by the President, dated 22nd November last, remarking upon the irregularity and illegality of the proceedings of some body, but as it was an open sheet of paper, addressed to nobody, and alluding to no one by name, I could not presume that the Board of Directors had sanctioned it, or intended it for any use; and the more so, as it alludes to a resolution therein said to be inclosed, which did not even accompany it, and therefore I could not consider such an irregular and unbusiness-like production in any other light, than a piece of paper which had accidentally found its way into the bundle.

I consequently remain, through the carelessness of those entrusted with the affairs of the Company, without proper and authentic documents. There is not even a report properly authenticated.

From the tenor of a correspondence shewn me by Mr. McGillivray, between himself and some of the Directors, I should not regret the want of authentic and regular documents, if the interests of no others than the writers, were concerned in the success of my endeavors, because I should then at once relieve myself from any further concern about the matter, and leave it to its fate; but I have considered that the unhandsome insinuations contained in the letters of two or three individuals should not deter me from continuing to use my exertions for the benefit of the stockholders at large.

As these individuals, however, were Directors at the time I left Canada, I further consider that it comports best with my own dignity not to accept of any thing from a Board of Directors, amongst whom there is any dissent, although the sum was fixed upon which was to pay my expenses to Engalnd, in as full a Board as ever sat on the affairs of the Company. I have, consequently, inclosed a draft to the Cashier of the Bank of Upper Canada for the balance of the £300, appropriated to my use, after deducting £20, to pay for lithographing the plans and printing expenses, leaving all remuneration for my services to the Stockholders, to whom, I shall be happy, at all times, to afford any explanations they may require relative to my conduct, though I shall never condescend to do so to such of my fellow Directors as have

so far forgotten the rules of common justice as to express unfounded opinions upon that conduct in my absence.

I request the Board will understand, however, that I shall continue to use my best endeavors for the interest of the Company—By the next post I hope to be enabled to report some favorable progress.

I have the honor to be,

H. J. BOULTON.

SIR,

It being near 3 o'clock in the morning, and having several letters to write before Mr. Justice Boulton who takes this packet, leaves here at 8. I must beg the Board to excuse my not copying the enclosed before I sent it having no time for that purpose.

Your obedient servant,

H. J. BOULTON.

TO THE PRESIDENT OF THE WELLAND CANAL.

It appears by the minutes of the 6th Oct. 1826, that Mr. H. J. Boulton having called the attention of the Board to Mr. McGillivray's letter of the 14th Oct. 1825, where he mentions that the meeting at which Mr. Boulton was appointed to go to England was a *casual* not a regular meeting, Messrs. Keefer and Merritt stated that they considered it to be a regular meeting, and that it had been sanctioned as such on the same day.

Certificate by Messrs. Merritt and Keefer.

YORK, *5th October*, 1826.

"There was no minutes entered on the Books of the Board respecting said report, but it was understood in conversation at the Board that Mr. Boulton should consult with the Hon. Doctor Strachan and the Attorney General (Mr. Robinson,) and revise the report. When it was to be taken to Montreal and receive the sanction of Messrs. McGillivray and Irvine, and then be printed.

WM. HAMILTON MERRITT,
GEORGE KEEFER.

The Welland Canal Company,

To Henry John Boulton, Esq. DR.

1825					
Oct.	To my expenses from York to Quebec and thence to New York, - - - - - - -			£ 18. 8. 9	
	To passage from thence to England, - -			36 2 3	
1826					
June 18	To my expenses in England from 5th Nov. to this date, st'g - - -	£153 0 0			
	Paid my passage and servants to New York, - -	38 0 0			
		£191 0 0			
	Add 1-9th for currency, - -	21 5 0=		£212 5 0	
	Premium and interest for 6 months on this sum p'd in England equal to 12 ½ cent.			25 8 9	
August	Expenses from New York to Canada, - -			6 5 0	
1827					
May 25	To sundry bnsiness done for the Company as their counsel during 2 years to date,			12 10 0	
				£310 19 9	

Received the above

H. J. BOULTON.

Mr. Boulton went to New York at another time to fulfil a duty easily to be done by letter—He charged £100, and got the money. Although all parties admit that Mr. Boulton's appropriation to his own use of £300 sterling, of the canal funds, was an improper transaction; and although, when goaded by the reproofs of the President, he returned the money and declared he would leave the whole question of his remuneration to the decision of the stockholders at a general meeting, I find that he never did appeal to the Stockholders, but took the opportunity of the meeting of a Board at the Deep Cut, in May, 1827, composed of his friends and relations to ask the money back again; and he got it.

The Board was composed of himself, his relative Chief Justice Robinson, his brother Mr. D'Arcy Boulton, Mr. Keefer, Colonel Wells and Mr. John Clark. This was their unanimous resolution:

Minutes, 16th May, 1827.

"Mr. Henry J Boulton presented an account of his expenses to England, amounting to £310 19s 9d, currency, when it was referred to the minutes of the 20th September, 1825, wherein a sum not exceeding £300 sterling, was granted for the said mission:

"*Resolved*—That the undermentioned accounts be paid: H J. Boulton's mission to England, £310 19s 9d"—&c. &c. &c.

So Mr. Boulton contrived at length to obtain the expenses of a journey to England to do his own business, out of the funds of a Canal, undertaken in a great degree for the purpose of enhancing his waste lands in value, and on which he had conferred no advantage. Although he was elected a director in 1825, and was named Vice President, an office not before thought of, it does not appear from the canal leger that he had paid one farthing on his stock subscribed. It was not until the 30th of June thereafter that he ventured to invest £18 15s. in the work, in part of his shares. The scheme of the canal act of incorporation appears to have been Boulton's in conjunction with Mr. Merritt.

It will be recollected that the winter of 1825, when Mr. Boulton arrived in London, was the period of the great depression of the money market which occasioned such great distress and so many failures. Had it not been so, the danger anticipated by Messrs. Dunn, Allan and McGillivray of Mr. Boulton's obtaining £100,000, under a loose Power of Attorney of his own drawing, and of his applying it to any purpose he thought fit, might have been converted into a reality.

The Canada Land Company purchased an extensive tract in the London District on Lake Huron at almost a nominal price, and they own besides much valuable landed property, the price of which had been increased by the Welland Canal For its advantage they promised to take considerable stock in the canal or lend it £6,000. I have perused an extensive correspondence between Messrs. McGillivray, Galt, Easthope, Boulton, Dunn, and others, on the subject of the aid promised by the Canada Company to the Canal, and consider the conduct of its managers to have been as Mr. Dunn, in one of his letters, happily expresses it, "extremely shabby."

The only service performed by Mr. Boulton, that I can find out, was his correspondence with Mr. Galt. I annex an account of the proceedings of the Canada Company with Mr. Boulton's letter.

(Office Copy.)

13, *St. Helen's Place,*
9th June, 1826.

Mr Sol. Gen'l Boulton,

Dear Sir,

Until the fate of the Canada Company should be determined, you were informed that I would return no answer to your letter of the 26th April offering me the situation of agent to the Welland Canal Company—it is therefore unnecessary for me to make any apology on account of the delay which has taken place.

I would have embraced with satisfaction this offer, both on account of the benefit which the undertaken is likely to produce to the Province, and of the interest I originally took in the extended scheme of the works; but I can no where discover among the papers left with me, (and which I herewith return) any credentials by whch an agent would be safe to act for a corporation, nor indeed any regular delegation of authority at all—under these circumstances I am reluctantly obliged to decline the business.

Permit me to remark that I do not very well see in the proceedings of the 22nd November in what manner it was expected of me to act. You are authourised to offer me the agency, but then it would seem to follow that I am only to be recommended for that situation to a committee, and that my remuneration is to be dependent on the estimate which that committee may make of my services. The times are gone by when subscriptions to public companies were sought after and the mode of managing these things has relapsed to the old fashion of application and the knowledge of parties likely to embark in the particular undertaking proposed to them. I should therefore have charged the regular commission of 2½ per cent. on what I raised, independent altogether of any allowance which the committee might have adjudged for the after duties of the agency.

I remain,
Dear Sir,
Your most obedient
Humble Servant,
JOHN GALT.

(Office Copy.)

Welland Canal Office,
St. Catharines, March 26, 1829.

John Galt, Esq.
Guelph:

Sir,

The Board of Directors have desired me to acquaint you that they have obtained an Act of the Provincial Parliament of Upper Canada to enable them to borrow the money agreed to be advanced by the Court of Directors of the Canada Company, 31st July, 1828.

By Mr. McGillivray's letter of the 20th August we were referred to you, and by yours of the 9th October we infer your answer, obtaining this act was the stipulation on which we were to obtain the loan of £6,000 sterling. We will therefore feel obliged if you will inform us in what way we are to draw for the money.

W. H. MERRITT.

(Office Copy.)

Welland Canal Office,
St. Catharines, July 16, 1829.

To the President of the
Canada Company,
London;

Sir,

* * * * *

In order to enable the Welland Canal Company to avail themselves of your offer, an act was applied for and obtained, a copy of which is now transmitted. It was passed on the 20th of March last. In the mean time such arrangements were made as enabled us to prosecute the work with great activity at the opening of the present season, but in these arrangements the £6,000 has been reckoned upon as part of our resources of which we might avail ourselves by depositing the required security.

We have now executed a bond to the Canada Company, as we are authorised to do by the Act above referred to—a copy of that bond is herewith transmitted—the original being in possession of the Commissioners of the Canada Company.

In order to place fully and we trust satisfactorily before the Company the present state of the canal, we forward a report recently published by the Directors. The work is rapidly approaching to its completion, and sanguine expectations are entertained of the results which must follow.

Under these circumstances we have ventured to draw upon the Canada Company in the confidence that they will fulfil their promise of assistance to this great public undertaking, for indeed unless they do, very serious inconvenience will be sustained, as the reputation and success of the work call for its completion without delay.

J. H. DUNN,
President.

(Office Copy.)

Executive Council Office,
York, 26th Octr. 1829.

W. H. Merritt, Esq.
&c. &c. &c.

Sir,

I am directed by the Executive Council now sitting to request your attendance to-morrow forenoon at eleven o'clock, and that you will bring with you for the information of the Council any correspondence or documents that may relate to the interest proposed to be taken in the Welland Canal by the Canada Company or Mr. Ellice.

I have the honor to be,
Sir,
Your most obedient
Humble servant,
JOHN SMALL,
C. E. C.

(Office Copy.)

York, 9th November, 1829.

Wm. H. Merritt, Esq.
St. Catharines:

My Dear Sir,

The inclosed I received by the last Post—when you have read it give it to Mr. Black for the information of our next Board. I am glad to hear so good an account of the progress of the water. I shall endeavor to be with you as early as I can. I think it extremely shabby of the Canada Company. It is not fair to throw the blame upon us, when they must know the failure arises from other causes.

Yours truly,

JOHN H. DUNN.

(Office Copy.)

CANADA COMPANY.

At a Court of Directors of this Company held on Thursday, 31st July, 1828.

John Easthope, Esq. M. P. in the chair.

It was *Resolved*—

That the recommendation of the committee of correspondence to take five hundred shares in the Welland Canal would in the opinion of the Court of Directors be advisable to adopt—provided the same can be done with legal propriety referable to the power and conditions of the charter.

That it be referred to the committee of correspondence to advance a sum not exceeding six thousand pounds either by subscription, loan, or upon such terms as may be found expedient and secure.

[Signed] JOHN EASTHOPE,
Chairman.

R. SPANKIE'S OPINION.

1st. Whether the Welland Canal Company can lawfully raise money on Bond, and give any and what security for the principal and interest so borrowed?

It is apprehended that a corporation like this, as a corporation generally (if not restrained) may borrow money and give bonds and other securities that will bind the common property. I think also they might mortgage the tolls in this case to the extent below which they cannot be reduced by the local legislature.

There appear indeed to be difficulties in the way of satisfactorily carrying into effect the arrangement and securities for a loan in this case. The Directors of the Welland Canal Company have no express or implied power by the act to borrow money on such terms, or to affix the common seal to securities—nor does it appear to be within their ordinary functions and authority. I think however they might be legally empowered by a general meeting to borrow money on Bond with Mortgage security on the tolls, and to affix the common seal to such instruments which would be available upon the Company's property.

It certainly however would be more advisable to have the sanction of the local Legislature, in order to avoid all question on the subject.

Secondly—Whether the Canada Company can legally purchase and hold shares in the Welland Canal Company? and if you should be of opinion that they can, then

Thirdly—Whether they can subscribe for more than 80 shares.

2nd. I do not think the Canada Company can legally purchase and hold shares in the Welland Canal Company both with reference to the act establishing the latter, and to the objects of their own association, though an advance of money for the canal seems sufficiently authorised by their charter.

3rd. At all events they cannot hold more than 80 shares.

(Signed) R. SPANKIE.
Temple, 13th August, 1828.

Canada Company's Office,
Guelph, Oct'r. 9, 1828.

To the Secretary of the
Welland Canal Company,
St. Catharines:

Sir,

By a resolution of the Court of Directors of the Canada Company, I am informed that the Company is disposed to advance £6000 towards the Welland Canal on certain conditions and stipulations. I shall therefore be glad to see you on the subject if you can make it convenient to come here before the middle of next week, when I may have occasion to be in York should you not come this way, the business can be arranged at York, where I propose to remain till the arrival of Sir John Colborne, who comes out in the packet ship, the Corinthian.

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

(Office Copy.)

Letter to W. H. Merritt, dated Canada House, London, May 29th, 1829.

My Dear Sir:

I have to acknowledge the receipt of your letter of the 3rd of April, which being, (although addressed to me individually) in reality a communication to the Directors of the Canada Company, I as such laid it before them.

I have to state to you in reply that you have been misinformed in regard to Mr. Galt's reports having done any disservice to the Welland Canal Company with the Directors or the Canada Company, or according to my belief with Mr. Ellice, and that for the best of all reasons, because the only reports sent home by him to my knowledge were sent before your

visit to England, and therefore were previous to the consent you obtained from Mr. Ellice, and from the Directors to advance certain sums by way of loan to the Welland Canal Company.

Leaving Mr. Ellice therefore to answer for himself, I beg to remind you on behalf of the Directors of the Canada Company, that the consent which you obtained from them to advance a sum of £6000 was upon certain conditions which your Company has failed to comply with, and which I fancy will prevent the completion of the transaction.

Those conditions were—

1st. That the legal difficulties stated in the opinion of Mr. Sergeant Spankie (whereof I furnished you with a copy) should be removed by a new Act of the Provincial Legislature. This was stated to you to be an indispensible preliminary.

2nd. That the security specified in the same opinion should be regularly given for the money so to be advanced, and

3rd. That the Welland Canal Company should give an answer to the Court of Directors of the Canada Company—such answer to be received in London on or before the 31st of January, now past.

In regard to the first of these conditions, you only say—"Our Legislature has done no good."

In regard to the second, you say nothing—and

In regard to the third, no answer whatever has been received from the Welland Canal Company.

Under these circumstances, I consider the arrangement depending on those conditions to be at an end, and so far my communication to you, on behalf of the Court of Directors, is concluded—but individually, and in order to prevent useless trouble, I will add my own opinion, that any further application to the Canada Company for the aid you seek to finish the Canal, will be unavailing.

This opinion is founded not so much on circumstances connected with the undertaking itself, of which *I* still continue to think favorably, although many are discouraged, on circumstances connected with the proceedings and plans of the Canada Company. Had the conditional arrangements made with you in August last, been acted upon in time by the Welland Canal Company, the Directors of the Canada Company would, of course, have completed them; but, whether any renewed application of the same nature would now be entertained, is quite a different question.

I remain, &c.,

SIMON McGILLIVRAY.

(Office Copy.)

Letter to the Honorable Wm. Allan, Esquire, dated Canada House, September 3rd, 1829.

Sir,

Your letter of the 14th July has been received and laid before the Court of Directors, and the bill therein mentioned as having been drawn by the President of the Welland Canal Company has been presented for acceptance.

The Court regret to be under the necessity of refusing to pay this bill, but in the present circumstances of the Company, they cannot further entertain the question of granting a loan to the Welland Canal Company, or yet taking shares in that undertaking.

You will receive herewith copy of a letter from Mr. McGillivray to Mr. Hamilton Merritt of the 29th of May last, which the Court consider sufficiently explanatory of this matter, and to which they accordingly refer. It appears singular that the Directors of the Welland Canal should have neglected or acted as if they were not aware of the *conditions* upon which *alone* the proposed loan was to have been granted, since exclusive of the ample instructions sent to Mr. Galt on the 21st of August, 1828—a copy of Mr. Sergeant Spankie's opinion was sent to Mr. Merritt before his departure from England, with an intimation that "as corporate bodies can only act "according to legal advice, the Court of Directors "must, as an indispensable preliminary, require a new "Act of the Provincial Legislature authorising the "Welland Canal Company to give to the Canada "Company an effectual security for the proposed "loan."

If such an Act has been passed, a copy of it should have been transmitted to the Court, in order to shew that it does authorise the granting such effectual security, because altho' entertaining due respect for any document passing through the hands of the Attorney General, as the Bond delivered to you appears to have done, yet the Court could not in any case advance money upon an inference, and in consequence of the conditions required as indispensable preliminaries having been thus entirely lost sight of by the Directors of the Welland Canal, or not stated to them by their Agent Mr. Merritt, their present bill must have been refused, even if there were ample funds fully disposable to provide for it, so that an inconvenience arising from its being returned falls fairly to be settled between the Directors and Mr. Hamilton Merritt.

The Court have entered into this explanation in order to satisfy yourself and Mr. Dunn, that there is no breach of agreement imputable to them in returning his bill, because it was drawn without authority. It is not deemed requisite to send you new copies of the papers transmitted last year specifying the conditions of the original agreement, because the present circumstances of the company would prevent the Court from now granting this loan on any conditions, and these circumstances it is presumed might have been sufficiently known to Mr. Dunn in his character of Receiver General, to have prevented his placing much reliance an the payment of his bill as President of the Welland Company.

I have the honor to be, &c.,

JOHN EASTHOPE,

Chairman.

(Office Copy.)

Canada House,
London, September 24. 1829.

The Hon. John H. Dunn, Esq.,
President of the Welland Canal Co.
&c. &c. &c.

Sir:

By desire of the Court of Directors of the Canada Company, I have the honor to acknowledge the receipt of your letter of the 16th July, advising the bill drawn by you as President of the Welland Canal Company, and transmitting a copy of the Bond placed by you in the hands of the Hon. Wm. Allan, the receipt of which is acknowledged by that gentleman in a letter to the Court of Directors received some days previously to yours.

In reply I am instructed to transmit to you the inclosed copies of my letter of the 29th of May last to Mr. Merritt, and of the Court's letter to Mr. Allan of the 3rd instant, and to inform you that the Court cannot re-consider the determination already announced in these letters.

The Directors regret the disappointment which this may cause to the managers of an undertaking of such public utility, and in the success of which they feel so deep an interest, but they cannot admit that the inconvenience arising from such disappointment is imputable to them.

If the Directors of the Welland Canal had at once accepted the conditional arrangement made with Mr. Merritt in August 1828 (subject to the contingency of obtaining the desired Act of the Provincial Legislature) and if such acceptance had been received in England on or before the 31st of January, for which there was ample time, they might so far have claimed the benefit of that arrangement, on complying with the required conditions so soon as they should be legally competent so to do, but seven months subsequent to that period having elapsed without any communication being received on the subject, it seems undeniable that the proposed lenders had a right to consider the arrangement at an end, and that it would have been an act of prudence as well as of courtesy on the part of the borrowers to refrain from drawing for the money until they should have received authority for so doing, in the new circumstances in which they were placed. Mr. Merritt's letter to me of the 3rd of April, (14 days after the passing of the Act of the Provincial Legislature) was not the sort of communication which should have been made by the Canal Directors, if they had *then* meant to confirm and claim the benefit of the previous conditional arrangement, although that letter might perhaps have been intended as such, and it was, under that impression promptly answered. If therefore it was so intended, it would have been well to wait for the answer before taking it for granted that they were authorised to draw for £6,000, and if they had so waited they would have prevented the inconvenience which may now arise from the return of your bill.

In this matter the Directors of the Canada Company beg to be understood as not acting on any punctilio, but merely with that discretion and circumspection which their public duty requires. If it were even a reasonable expectation that they should for such a length of time beyond their contract have held funds at the disposal of the Welland Canal Company, yet certainly the circumstances of that Company are not exactly the same as they were when the contract was made. The change of plan of the Canal *may* be an improvement, as it is alleged to be, but it has arisen out of a serious disaster, and it greatly retards the completion of a ship navigation, and the receipt of the tolls therefrom on the *whole distance* from Lake Ontario to Lake Erie. It therefore so far deteriorates the proposed security of a mortgage on those tolls, and on referring to the recent Act it appears that although the Welland Canal Company are authorised to transfer the *tolls and profits* as a security for the *loan advanced by Government*, yet for further sums to be raised by loan they are not authorised to grant mortgages of tolls and profits, but merely to issue transferable bonds; and if any question should arise about the payment of such bonds, it might be practically difficult to recover the same otherwise than by purchasing canal stock which you'll recollect the Directors of the Canada Company were advised they could not lawfully do.

These considerations would necessarily prevent the Court of Directors from now advancing this money, even if the application had come before them in a more regular and business-like shape than even it has done, and it is therefore needless to assign any other reasons for the determination already announced to you through Mr. Allan, and which it might have been expected would have been anticipated from circumstances certainly known to *both you and him*, if not to the other Canal Directors, but probably to all of them; involving the state of the Canada Company's funds and the capability of paying the instalments promised to His Majesty's Government, so that with reference to these circumstances only, any other result than the return of your bill could scarcely have been expected.

I have the honor to be,
Sir,
Your most obedient servant,
SIMON McGILLIVRAY,
Chairman of the Committee of Correspondence.

John Perry,
Clerk and Accountant.

Tuesday, 1*st March*, 1836.

Committee met.

PRESENT.

James Edward Small, Esq., *Chairman*,
Messieurs Chisholm,
Parke,
Gibson,
Thorburn
Solicitor General,
Shaver,—7.

Mr. Hall *again called, and further examined.*

[By Mr. Merritt.]

200. What do you conceive the increased value of excavating earth each additional foot in depth after 10 feet is first removed?—The plan I usually adopt

is to add about a cent to each foot as you descend; say for the first ten feet if you commence with *ten* cents, for the 2nd ten feet 20 cents per cubic yard—the 3rd 30 cents, and in such proportion.

201. What do you conceive the value of excavating the Deep Cut from the surface to the depth of 10 feet, at its present width?—I should think from 10 to 15 cents per cubic yard.

[By Mr. Mackenzie.]

202. Do you think the Deep Cut Contracts given to Harvey & Ward and afterwards given to Mr. Phelps were at fair and reasonable prices?—If the price for the first ten feet was under 15 cents, I would think it fair—and so on in proportion.

[*The witness withdrew.*]

Thursday, 3*rd March*, 1836.

Committee met,

PRESENT.

James Edward Small, Esq., *Chairman.*

Messieurs Chisholm.
Gibson,
M'Donell.
Parke.
Roblin.
Shaver,
Solicitor General, and
Thorburn.—9.

Mr. Hall *again called, and further examined.*

[By Committee.[

203. Have you any additional or detailed evidence to give to the Committee in answer to question No. 202?—I have since examined the proposals given in July 1825 for the Deep Cut—also proposals for May 1827.

[Witness handed in to the Committee the following statement:]

COMPARATIVE TABLE OF PROPOSALS for six Sections at the Deep Cut; received July, 1825.

No. of proposal	NAMES OF PARTIES.	*No. of Sections*	*Price per yard.*	*Rock.*	*Hard pan*	*Quicksand.*	*Grubbing.*
1	Jacob Leak & Co.,	6	30 *cts.*	....	50*cts*	40	$ 50
2	J. B. Lowry,	5	40	rock	excepted,		75
3	Simon Schofield & Co.,	6	30	....	....	....	....
	Do Nos.	2, 3, 4 & 5	35	....	....	....	....
	Do	1	30	....	....	....	100
4	William Hill,	1	12½	....	....	....	....
5	Michael Coody & Co.,	1	17	....	....	....	....
	Do	6	34	....	....	....	45
6	Bell, Richardson & Co.	1	17½	....	....	....	....
	Do	2	24¾	....	....	....	....
	Do	3	26	....	....	....	....
	Do	4	28	....	....	....	....
	Do	5	28	....	....	....	....
	Do	6	24½	....	....	....	75
7	David Thompson & Co.,	1	19	....	....	....	....
	Do	6	40	....	....	....	80
8	D. and R. Thompson,	2	37½	....	....	....	....
9	J. Emery & Co.,	1	14¾	....	....	....	....
10	*John and James Clowes,	1	14	....	....	....	....
	Do	2	17	....	....	....	....
	Do	3	18	....	....	....	....
	Do	4	19	....	....	....	....
	Do	5	19	....	....	....	....
	Do *Average 17½ cents.*	6	18	....	....	....	....
	John and James' 2nd proposal,	2 & 3	17½	....	....	....	8
	Do *Total average 18 cents.*	4, 5 & 6	18½	....	....	....	....
	Do 3rd proposal,	2 & 6	17½	....	....	....	....
11	Thomas Arrowhead & Co.,	1	12½	....	....	....	....
	Do	5	38	....	....	....	....
12	Watson & Irvine, ½ of No.	1	12½	....	....	....	....
13	Thomas Walsh & Co., ½ of No.	2	15	....	....	....	....
14	*Hovey & Co., For all the Sections,	1 to 6	28	....	....	....	....
15	George Connelly,	1	30	....	....	....	....
	Do	6	48	....	....	....	....

* Including all Rock, Quicksand and Grubbing.

COMPARATIVE TABLE OF PROPOSALS—*Continued.*

No. proposals	NAMES OF PARTIES.	No. of Sections.	Price per yard.	Rock.	Hard pan.	Quick-sand.	Grubbing.
16	*Rudyer, Hays & Co.,	1	11 9/12 cts.	....	...	.....	....
	Do	2	15 3/4	....	....	.....	....
	Do	4 & 5	16 3/4	....	....	.....	....
	Do	6	15	....	....	.....	....
17	Isaac Chester,	1	14	....	....	.....	$ 80
18	Hartwell,	1	14	....	....	.....	....
	Do	2 & 3	33	....	....	.....	....
	Do	4, 5 & 6	30	....	....	.....	....
19	William Bell, (½ cent cheaper than any other person,)	1	00	....	....	.....	....
20	Allen McLean,	1	19	....	....	.....	....
	Do	2	30	....	....	.....	....
21	Henry Riely & Co.	2	25	....	....	.....	....
22	Dolland & Co.,	1	11	....	....	.....	....
23	Peter McIntosh & Co.,	1	13	....	....	.....	....
24	Edward Reily & Co.,	3	25	....	....	.....	....
25	John Reily & Co.,	4	40	....	....	.....	....
	Do	6	45	....	....	.....	....
26	Brown & Grewaiter,	1	10	....	....	.....	....
27	Peter Walsh,	1	20	....	....	.....	....
	Do	2 & 3	21	....	....	.....	....
29	*Hovey & Co, for all, let it be rock, quicksand or hardpan,	1,2,3,4,5,6	25	Grubbing *Jamuary*	g include ry and,	d—Last te 1835	nder,—
30	Thomas Sheppard,	1	20	....	....	.....	....
32	Brown, Straight & Co.,	1	23	....	....	.....	....
33	Elijah Kieller,	1	14	....	....	.....	....
34	Hugh Collier,	1	14	....	....	.....	....
35	Robert Brown,	3	16	Exclud	ng rock	& hardpan	....
36	John O'Brian,	6	37½	....	....	.....	....
37	Thomas Brown,	2	16	....	....	.....	....
39	Porter & Co.,	1	18½	....	....	.....	....
40	John Stewart,	1	14½	....	....	.....	....
41	Moffatt & Co.,	1	27	....	....	.....	....
43	Macdonald & Co.,	6	50	....	....	.....	....
	Do	2	30	....	....	.....	....
45	Abbot & Co.,	1	15	....	....	.....	....
46	Johnston, Fleir & Co.,	1	14	....	....	.....	....
	Do.	6	26	....	....	.....	....
47	David Gibbs,	1	14	....	....	.....	....
48	Alexander Campbell,	1	14	....	22*cts*	....	$ 50
49	*Patterson & Co.,	5	36½	....	....	.....	....
	Do	6	32½	....	....	.....	....
51	Brainard, Simpson & Co.,—all the Sections, from....	1 to 6	23	....	....	.....	....
52	Martin Lotrop & Co.,..... whole	1 to 6	24 9/100	....	....	.....	$100
53	Galbraith & Co.,	6	23	....	....	.....	74
54	Morton & Co.,	1	25	....	....	.....	....
	Do .....from	2 to 6	30	....	....	.....	....
55	Bains & Co., ...from	2 to 6	25	.....	.....	.....	.....

*Patterson's tender, first12 feet deep, No. 6, 15 *cts*

next 6	do		20
next 6	do		25
next 6	do		30
next 6	do		35
next 6	do		40
next 6	do		45
next 6	to bottom		50
52 ft		8	260
	Average,		32½ *cts*

Patterson's tender for No. 5.

first 12 feet,			15 *cents*
next 6	do		20
next 6	do		25
next 6	do		30
next 6	do		35
next 6	do		45
next 6	do		55
next 6	do		65
54 ft		8	290
	Average,		36 *cents*

It appears by the above statement that the Tender of Rudyer Hays & Co. is the lowest for doing all the Sections from 1 to 6, being at the rate of 15 cents per cubic yard.

That Messrs. Clowes is the next lowest tender, being at the average rate of 18 cents per cubic yard—and that Ward, Hovey and Co. have offered to do the whole at 25 cents per cubic yard, including all rock, hardpan, quicksand, and grubbing.

2nd Letting of Residue of Deep Cut.

	cents.
26th May, 1827—Ditch to bottom, to wash out the same,—Hathaway, 40 cents,.....	60
Martindale and Donaldson 30 cts. whole width to bottom level, (to ditch).....	371-2
Rowley 36 cents,.....	50
Hartwell, 35 cents.....	45
Newlove, 40 cents for remainder.....	60
Davis 50 cents whole width and depth,.....	75
Simpson & Son, 32, whole, (to tow path,).....	371-2
Phelps 25 cents, and 2 cents for machinery, being the lowest tender.	

The books and sections should shew the heights and quantity excavated by each Contractor previous to this re-letting; the same documents will exhibit the prices and quantity for the remainder, which Mr. Merritt has prepared.

From this statement it appears that the tender of Rudyer Hays & Co. is the lowest for doing all the sections from one to six, being at the rate of 15 cents per cubic yard—that Messrs. Clowes is the next lowest tender, being at the average rate of 18 cents per cubic yard; and that Hovey, Ward & Co. have offered to do the whole at 25 cents per cubic yard, including rock, hardpan, quicksand and grubbing.—At the 2nd letting of the residue of the Deep Cut, 26th May 1827, Mr. Phelps was the lowest tender, being 27 cents per cubic yard, including 2 cents for machinery. I may add further that Mr. Phelps proposed to the Board to execute all the work within the time specified, and for the prices stipulated, and that the Company shall not be troubled with any further begging. He offered the security of his houses, lands, a portion of a steam vessel, worth not far from $20,000; that is Mr. Phelps' statement to the Board as his security. Upon the 24th November 1827, Mr. Phelps complained to the Board of his loss in prosecuting the work from wrong calculations made by him, such as drawing of water for cattle, short measurements, &c., he states that the work cost him from 25 to 26 cents from top to bottom; this price he has taken as a basis for the following calculation, viz:—

WORK DONE.	SUB-CONTRACTS.	REMAINS C. YARDS.	CONTRACT PRICES.
274,000 yards....	Hartwell & Davis, @ 24 cts.....	2,000	32 cts.
118,000.....	Pratt & Simpson, @ 25 "	49,000	32
220,000.....	Next deepest, @ 26	50,000	34
240,000.....	Do @ 26½	60,000	35
548,000.....	Do @ 27	130,000	36
1,400,000		291,000	
291,000			
1,691,000 cubic yd's			

[By Mr. Mackenzie.]

204. Mr. Phelps appears from the books of the Company, to have not only been allowed the price stipulated in his contract, but also to have been loaned about £10,000 of the Company's funds to enable him to carry on the work without the employment of his own capital, and leaving extra allowances of $5000 at one time and between 7 and 8000 dollars at another, the works being subsequently stopped by the slides. Do you think he was fairly dealt with by the Company under these circumstances?—I think the prices allowed by the Company of 27 cents per yard are fair for a certain depth.—Mr. Phelps in his statement considered 25 cents a fair price for the whole. The Engineer who attended the work is the only person in my opinion that can give an answer to the last part of the question, as he will be able to state the exact quantity of work done by Mr. Phelps at the respective depths.

[By Mr. Merritt.]

205. In reply to question No. 202, you say if the price for the first ten feet is under 15 cents you would think it fair, and so on in proportion—Did you not intend this to apply to your answer to question 200?—I think it should apply to all works where deep cutting is required, and the subsoil of an uniform nature.

206. What is your object in stating to the Committee the offer made by different people when the question was asked you as a professional Engineer "What is the value of the work according to the best of your judgment?—My only object is to state the prices that were then tendered and to show that the original contract price with Hovey & Ward was at the rate of 25 cents per cubic yard, including all contingencies. The value of the work from top to bottom according to *scale* for 50 feet deep is, @ 10 cents for first 10 feet=30 cents—*a* 15 cents for do. =35, but these rates comprehend the summit cutting; a less average must be assumed for the extremes, which can only be ascertained by a detailed calculation of the whole extent.

207. Has the offer made in the first proposals guided your judgment in your answer to question

No. 202?—My judgment has been *regulated* not only by the proposals in July 1825, but also by May 1827.

208. From the date of the last proposals do you not believe they have reference only to the contract taken, or work done by Mr. Phelps?—The proposals of July 1825, have no reference to Mr. Phelps' Tender, Contract, or work done; but those in May 1827 have. Mr. Phelps' tender was the lowest and was accepted.

209. What was the average of the tenders received at this time, May 1827?—37 cents per cubic yard.

210. Do you think the average of those proposals a fair price for the work in the situation it then was?—I can only judge from Mr. Phelps' tender, who had more practical experience than I had on that subject. The situation of the Canal works at that or any other period is not shewn upon the sections, as is usual in such works, I have, therefore, no correct data from which to judge of the extent or depth of previous excavations.

211. Do you take your judgment of the value of work by the tenders made by any individual?—No, I would take it from the nature of the excavation—because what would be the fair value in one situation might not be so within a few yards distance.

212. Do you know the nature of the excavation here alluded to, and the depth when it was commenced?—I know the general nature of the excavation, but do not know the depth at which Mr. Phelps commenced, neither the depth he excavated to, excepting the evidence of Love Newlove, who stated that Mr. Phelps did not go below the water edge or tow path.

213. If Mr. Phelps went to the bottom contrary to the opinion of Newlove, would it alter your judgment of the value of the work?—My opinion has been regulated by Mr. Phelps' tender, which proposed to go to the bottom of the cut—whether this is the upper bottom or that 18 feet below, or part of both, the sections should shew, but they do not.

214. As you know the nature of the excavation, describe it at the time Mr. Phelps took the contract?—I only know the nature of the excavation from having lately seen the banks down to the water level, which appeared to be strong adhesive clay.

215. As a professional man, do you say the work performed by Mr. Phelps on the Deep Cut is not worth more than 27 cents per yard?—I do not say it is not worth more—from what I have seen of the Deep Cut I should not undertake the centre of it from top to bottom at 27 cents per cubic yard.

216. Were the sums mentioned in the above question No. 204 charged to Mr. Phelps in his account?—I do not know whether they were or not—the books will shew.

[By Mr. Mackenzie.]

217. You have stated the average of the tenders made in May 1827 at 36 cents per cubic yard—do you know that all the persons who so offered were capable of fulfilling their contracts or judges of the work they proposed to fulfil?—The only persons whose names are known to me who offered for those contracts are Donaldson & Phelps. I did not know any of the parties until lately, and cannot tell whether they were judges of the work or capable of fulfilling their contracts.

218. If Contractors like Mr. Phelps have been cautioned that the Board will be guided in all cases by the stipulations of their written contracts; that the stipulations so far as they extended would be considered as governing all cases which might arise in the performance of the work under them; that it would be the duty of the Contractors to fix with caution the prices for which they would propose to perform it, and that no greater prices would afterwards be allowed them to the disadvantage of others—wo'd not a material departure from that system in practice be likely to produce very great evils?—I can see no use of a contract unless it is strictly adherred to. Unless contracts are binding there can be no certainty of expenditure upon any work; whenever a contract is altered or varied, good reason should be shewn for so doing.

219. After all the cautions that can be given them some Contractors will doubtless judge erroneously of the value of work or of their own skill or ability to perform it; others will carelessly and imprudently conduct the works, and suffer loss where more industrious, skilful, and economical men could have made a fair profit, and the like will take place in private life and extend itself throughout all the various pursuits in which men engage. Ought the Directors of a work like the Welland Canal to make up any deficiency in *prudence* and *forethought* of such Contractors by departing from the provisions of their contracts and giving them large allowances not contemplated when those contracts were made—and would it be possible for those Directors to satisfy the public in case they should depart from their agreements, and allow large bonuses to such Contractors, that they were acting fairly and impartially as well towards the persons whose tenders had been refused, as towards the Stockholders and the Country, whose funds are to be taken to pay such bonuses?—I would only say it is usual that when a departure from a contract takes place, and any alteration made either to increase or diminish the work, that the same is done in writing. It would be difficult to fix limits for the regulation of managers and contractors for public works. In all cases they should exercise their best judgment and act impartially between parties.

220. If it be admitted that the stipulations of contracts may be departed from in such cases as that of Mr. Phelps, or such cases as are alluded to in the last question, would not the only alternative be to extend relief to all persons who may assert that they have sustained losses by their contracts; and who cannot be proved guilty of gross negligence and mismanagement?—Matters of that kind are generally left to the decision of the Engineer and the Board of Directors. The Engineer to state the facts, and the Board to form a decision from those facts.

221. Has any decision of the Engineer and Board of Directors been shown you in the case of Mr. Phelps to authorise the making him an allowance of £7,558 of borrowed money over and above his contract price and the other allowances?—There may be such statements in the office, although during yesterday's research I did not observe any; to the best of my recollection I have hitherto seen no such statement.

222. Supposing it were attempted by the Board to inquire into the alleged pecuniary loss of a Con-

tractor like Mr. Phelps, is it at all probable that entire reliance could be placed in a statement of accounts furnished by a party feeling a deep pecuniary interest in the effect to be produced by such statement on the minds of the Directors—Or is it probable that in such cases the disbursements on the Canal Contracts can be separated easily by them from their other expenditures; especially in a case like the present, where the contractor had two large and important contracts going on at the same time?—I think it would be very difficult to give a true statement of those mixed contracts, or of the profit or loss sustained by the contractor.

223. Suppose one man to take a contract for 30 cents, and by his superior skill and economy realises a handsome profit, and another less prudent takes a contract exactly similar and loses by it. If you remunerate the loser ought not an equal amount beyond his contract to be given to him who made a handsome profit by his superior skill and talent?—It might probably be an act of justice, but not an expedient mode of settlement, as two adjoining contractors might upon this principle unite to deceive the Company—one to shew a gain of more than was reasonable, the other a loss as much as he could.

[By Mr. Merritt.]

224. Were the persons who made the proposals in 1827 the same people who had hitherto done the work, and would they not be reasonably supposed to entertain the most correct opinion of its value at the time?—I am not aware of any of the parties being so employed, but as Hovey & Ward's tender for the whole was accepted, they may have been upon the works as sub-contractors.

225. Admitting they had been so employed, would they have been the best judges?—From their experience I think they would—also that they would not offer at too low a rate.

226. As Newlove has given evidence before the Committee what was the price contained in his offer?—40 cents for the remainder of the work.

227. Your first answer is very well in theory, but has not your practical experience shown you that in a work of the magnitude of the Welland Canal it becomes absolutely necessary to vary the prices in contracts? And is it not usual and customary to do so in every work in America?—It is sometimes neccssary, but should be practised as little as possible, as many contractors within my experience have offered for works below their value, not from a deficiency of knowledge, but that they may first secure the job and afterwards negotiate for better terms.

[By the Committee.]

228. In what cases, and under what circumstances does it become necessary to vary from the original contract?—Suppose the cutting and banking of a Canal one or more miles in extent is to be made, the cutting and banking in ordinary soils may be determined by contract; but in cases of lining the bottom and sides of the Canal with clay when the soil is porus *this* cannot at all times be determined, neither its thickness nor its price, a variation in the width of the Canal will affect the prices in *most cases*. But contingencies of this description are generally provided for in the contract, although their expense or extent be not ascertained. Cases occur in building locks, acqueducts, waste-wears, &c. where it is sometimes necessary to deviate from the original plan from a variation of their foundations, such as sand in place of clay, partial rock foundations, sudden emergencies in consequence of water &c. But the principal reason for varying contracts is their non-fulfilment.

[By Mr. Merritt.]

229. Is it not absolutely necessary for the Board of Directors to be invested with the necessary power to make allowances on contracts, and is it not frequently done on all works of this description?—It is a very necessary power, but should be used with great caution.

230. Do you know that the Directors decided on the amount they paid Mr. Phelps from any statement produced by him?—I can say nothing about it further than is shewn by minutes of the Board from page 86 to 181, year 1828; there may be other documents that I have not seen.

Mr. Oliver Phelps *called in and examined.*

[By Mr. Merritt.]

230.(a) Did I not converse with you freely while putting up your machine in the Deep Cut, respecting the contractors endeavoring to extort what I thought an unreasonable price for the excavation? Yes, you did.

231. Did I name to you a price I thought the Directors would be willing to give from top to bottom for the Deep Cut; and ask you if you would not contract for some part of it, and if so what was your reply?—Yes you did; the price you named was 30 cents and I replied that I did not wish to contract for any part of the work at the Deep Cut.

232. Did I not come to you after you had tried your machine and ask you to shew me by calculation what it would cost per yard to remove the earth by this method?—Yes, I was sick with the fever and ague at Vanormans. I told you that I must decline making calculations, as I was a contractor with Hovey & Ward for the locks, and that by so doing I should give offence to them. Mr. Merritt came to me a second time and I declined. He came to me the third time, and said that all the men on the line were making similar calculations of what the work could be done for with the machine they were erecting, and that I must do the same if I expected to be entitled to the premium which was offered of $500 for the best machine that could be erected for excavating the job.

233. Did I, on hearing your objections to this calculation, assure you that they were groundless, as Messrs. Hovey & Ward had given up their job, that they were only working for the time being at the estimate of the Engineers as well as their sub-contractors?—Yes, and I then made out a calculation.

234. What state did you find the Deep Cut in when you took hold of the work—what was the state of the whole width of the Canal as laid out, and of the ditch and banks?—The state of the Canal as it was began was some places not within 3 or 4 feet of the line, and others perhaps a little over the line; there were roads where they carted out the earth on each side, I should say from 6 to 10 rods distance betweer

each road; on each side of the Canal these roads began not many feet outside the line of the Canal, and as they descended into the Canal, did not go down with a slope of 1 to 1 but formed an inclined plane each way sufficient for teams to draw up the earth. The ditch in the centre cut professedly to wash out the deep cut, was narrow, some places much deeper than others, and filled with water forming ponds. As to the banks, the earth was carried off from 20 feet to 10 or 12 rods distant from the line and laid in every possible shape and form, with the back part the highest, carrying all the water that fell on the banks into the Canal, and many holes left that were filled with water from 2 to 5 feet deep.

235. What was the average cutting of the whole Deep Cut?—As per minutes received from Alfred Barrett, the Engineer, it was 46 feet $\frac{80}{100}$.

236. What part of the Deep Cut did you excavate? What was the average cutting of that part excavated by you? At what average below the surface did you begin in 1827? Did you bottom your part of the Deep Cut?—I excavated 77 chains of the North end—the average cutting was 49 feet $\frac{85}{100}$,—I began below the surface 17 feet $\frac{29}{100}$,—I did bottom my part of the Deep Cut.

237. What part of the Deep Cut was excavated by Hartwell, Pratt, and Simpson, Thompson and others? What was the average cutting of the Deep Cut? At what average below the surface did they begin in the spring of 1827? How near the bottom was the average of those jobs when the slips took place?—55 chains of the South end was excavated by Hartwell, Pratt and Simpson, Thompson and others, the average cutting of which was 42 feet $\frac{54}{100}$—they began 11 feet $\frac{53}{100}$ below the surface, they went on an average as near as I could judge, and I was employed in helping the various contractors to finish their part to get the water through, within about 6 feet of the bottom.

238. What is the established custom of estimating deep cutting and the relative value of the first 10 feet to each foot below?—As far as my knowledge has extended, the first 10 feet have been fixed at such a price that an addition of one cent per foot from 10 feet to bottom would give the amount of the work of the whole according to the different kinds of soil. The Chesapeake and Delaware Canal being in a sandy and easy soil began with 10 cents per foot for the first 10 feet, and increased one cent per foot to 75, being the deepest cutting.

239. Suppose the whole Deep Cut was estimated at 25 cents per cubic yard, at what price must the first 10 feet be worth, allowing the addition of one cent to each additional foot in depth?—The first 10 feet would have to be fixed at 15 cents, or in other words 47 feet cutting on the above calculation would amount to 25 cents and $\frac{16}{100}$ for the whole.

240. What would that part of the work excavated by Hartwell, Pratt and Simpson, Thompson and others, amount to at that rate from 12 feet below the surface to within six feet of bottom, as was the case when the slips took place?—Had they began at 12 feet below the surface, and had the average cutting been 53 instead of 42 $\frac{54}{100}$, it would have amounted to 28 cents and $\frac{18}{100}$.

241. What would that part excavated by yourself amount to at the same rate from 17 feet below surface to bottom?—It would have amounted to 25 cents and $\frac{13}{100}$.

342. After you engaged in the work on the Deep Cut did the other contractors appear friendly, or did they endeavor to throw obstacles in the way against the progress of the work, and did you complain of it at the time?—They did, and I complained of it to the Agent and the Board.

243. Did your first month's estimate turn out satisfactorily—and if not, to what do you attribute the principal cause?—It did not turn out satisfactorily—I had nearly as many men engaged as the following month, and I attribute the falling short of my expectation and what I had reason to expect to the lines on the sides being run anew.

244. Were the sides of the Canal cut to the line as laid out or not? What space was there between the stakes and where the ground was broken, at the end of your first month's work, and how long was it before you brought it down to a level with the other work?—The cutting performed by others previous to my taking the job was not in all places cut to the line. My first object was to straighten the line and bring the work all down together, and accordingly began on the sides—at the end of the first month the strip of ground which I brought down in order to trim it to the line was sufficiently wide in many places to admit a cart and oxen to pass on it; and it was not until the end of the second month that I brought it down to the level of the other work, and many places where those roads led in on this part of the job the side cutting was from 12 to 15 feet wide. The first month's estimate was 35,131 yards—second month 69,355 yards—third month 94,150. On one section of two chains I had five teams and drivers and shovelers to load them were employed two weeks on the sides, and that the first estimate I was brought a little in debt. The reasons were that I worked wholly on the sides, and none on the centre.

245. What was the method of taking estimates, and do you attribute the error in Mr. Barrett's estimate as intentional, or to the side lines not having been taken in?—I do not consider it was intentional on the part of Mr. Barrett.

246. Was the part of the Deep Cut finished by you of a harder description of soil as you increased in depth than when you began?—Yes, it was a harder soil—there were many streaks of hard pan that could not be ploughed, but had to be picked—there were many large stone and rocks which took from 4 to 12 yoke of oxen to draw out of the ditch—there were some so large that they had to be blasted; this however did not continue below the towing path except quite at the North end.

247. How many yoke of cattle was employed to each plow team when you began? and how many plow teams had you engaged at any one time?—When I began the usual number of yoke of oxen to each plow team was from 4 to 6—not long after, I was compelled to increase the number to 10 to each team, and I had from 9 to 10 such teams engaged at one time, and they all had as much as they could well do.

248. When did you first represent to the Board that it was doubtful whether you could finish it at

the contract prices, but that you would perform the work in the most economical manner, and give all the property into their hands?—The Board and the Agent frequently represented to me during the first summer that they were doubtful whether I was able to finish the work at the price I had engaged. I do not recollect representing to the Board that I thought I should not be able to finish it at the contract price, until the fall of 1827. When I came to Toronto with Mr. Merritt I did promise to finish the work in a most economical manner, and give all the property into their hands.

249. Did not the Directors, shortly after their meeting at the Falls, hold a meeting at the Deep Cut for the purpose of examining the books of your office, and after the slips took place recommend the sale of teams?—The Board of Directors did hold a meeting at the Deep Cut, and examined the books and accounts, and the expenditure on the Deep Cut, and manifested an entire satisfaction of the manner in which the books were kept, and the Chief Justice Mr. Robinson at that time further stated to me that the Directors always intended to deal fairly by me, and that I would not be a sufferer in the end. I did go to the Directors immediately after the work stopped, and asked them what disposition they would have made of the teams and property on the Deep Cut; they recommended a public sale of the whole by auction, and notes taken payable to the Welland Canal Company—the teams and property were all sold and turned over to the Company's hands.

250. Did you offer to me at any time after the slides took place at the Deep Cut, and after you had finished the aqueduct, that if the Company would pay you what you could prove you had brought into the country, that you would give up to them all the property you possessed in Canada?—I did several times.

251. Did you not shew me certain calculations soon after the work closed, shewing that your whole debt did not make the cost of your work more according to its real value than others had been paid, and what was my reply? I did shew you calculations which I hand in to the Committee as follows, shewing that my work had cost less than others, or that there were an actual difference of 5 or 6 cents in the cost of theirs and mine, or the worth of each at the same calculation or of the depth of cutting and the average depth we began.

A calculation upon the average depth cutting of Deep Cut, supposed to be about 47 feet;—the first ten feet cutting the average width will be

140	by (one chain)	66	feet	3,422	yards	@ 16	cents	$547 52
1st.								
130	by	66	"	316	"	17	"	52 72
2nd.								
128	"	66	"	312	"	18	"	57 16
126	"	66	"	307	"	19	"	58 33
124	"	66	"	302	"	20	"	60 40
122	"	66	"	297	"	21	"	62 37
120	"	66	"	292	"	22	"	64 24
				5248	averaging	17 20/100	cts.	$902 74
118	by (one chain)	66	feet	289	yards	@ 23	cents,	$66 01
116	by	do.	"	282	"	24	"	67 68
114	"	do.	"	277	"	25	"	69 25
112	"	do.	"	273	"	26	"	70 98
110	"	do.	"	268	"	27	"	72 36
108	"	do.	"	263	"	28	"	73 64
106	by (one chain)	66	feet	258	yards	@ 29	cents,	$74 82
104	by	do.	"	253	"	30	"	75 90
102	"	do.	"	248	"	31	"	76 88
100	"	do.	"	243	"	32	"	77 76
98	"	do.	"	238	"	33	"	78 54
96	"	do.	"	233	"	34	"	79 22
94	"	do.	"	228	"	35	"	79 80
92	"	do.	"	224	"	36	"	80 64
90	"	do.	"	219	"	37	"	81 03
88	"	do.	"	214	"	38	"	81 32
86	"	do.	"	209	"	39	"	81 51
84	"	do.	"	204	"	40	"	81 60
82	"	do.	"	199	"	41	"	81 59
From 17 feet cutting to towing path,.....				4620 yds.		average 31 1-3 cents.		$1450 53
Average cost above towing path,.....				9868 yds.		23 3-4 cents,		$2353 27
61	feet by	66	feet	149	yards	@ 42	cents,	$63 58
57	"	do.	"	139	"	43	"	59 77
53	"	do.	"	129	"	44	"	56 76
49	"	do.	"	119	"	45	"	53 55
45	"	do.	"	110	"	46	"	50 60
41	"	do.	"	100	"	47	"	47 00
37	"	do.	"	90	"	48	"	43 20
33	"	do.	"	80	"	49	"	39 20
29	"	do.	"	70	"	50	"	35 00
25	"	do.	"	60	"	51	"	30 60
21	"	do.	"	50	"	52	"	26 00
17	"	do.	"	40	"	53	"	21 00
				5756 yds.		34 1-3 cents		$1976 79
				5248				
				11,008 yds.		26 1-6 cts. ℔ yd.		902 74
								$2879 53

The average cost at the above calculation will amount to 26, 1-6 of a cent per yard.

How far the annexed calculations may correspond with the calculation of the Engineer, I am not able to say, and I have not submitted it to interfere with their calculations, but only to lead to some just and equitable examination. One thing I am certain of, and can produce sufficient proof that the calculation is nearly similar to many such works in the States; the Chesapeak & Delaware Canal commenced at 10 cents for the first 10 feet, and then rose a cent per foot until it amounted to 75 cents per cubic yard, being 75 feet deep. Neither do I submit this statement or calculation to operate against any other contractor, but I am satisfied that if a fair examination is made and the amount of earth left in below towing path on other jobs, at a fair rate, to place it on a footing with mine, which was all bottomed, there will be an actual difference in the worth of the average of the other jobs and mine of 5 or 6 cents per yard. I have shewn the deepest cutting of mine, and on the opposite side the average of the whole as near as I can judge without any minutes, which is 47 feet, and I think the deepeat cutting of any jobs south of mine is not more than 45 feet, at any rate not 47 feet, so that if each contractor had bottomed their jobs as I did mine, there would be an average of 3 cents per yard difference, and when their bottoms are deducted it will make five cents, but only let the subject be fairly investigated, and I will submit to whatever shall be allotted me. One thing I am certain of, that all of us contractors on the Deep Cut can truly say we have labored hard, and lost money.

I remain very respectfully,
The Company's ob't servant,
OLIVER PHELPS.

WM. H. MERRITT, ESQ.

DEEP CUT.

A calculation of 55 feet cutting one chain in length the first ten feet averaging

158	feet width by	66	feet	3,862	yards @	16	cents,	$617 92
146	do	do	do	356	do	17	do	60 50
144	do	do	do	351	do	18	do	63 18
142	do	do	do	346	do	19	do	65 74
140	do	do	do	341	do	20	do	68 20
138	do	do	do	336	do	21	do	70 56
136	do	do	do	331	do	22	do	72 82
				5923	average 17 cts. 2 mills			$1018 92

134	feet width by	66	feet	326	yards @	23	cents,	$74 98
132	do	do	do	321	do	24	do	77 04
130	do	do	do	316	do	25	do	79 00
128	do	do	do	312	do	26	do	81 12
126	do	do	do	307	do	27	do	82 89
124	do	do	do	302	do	28	do	84 56
122	do	do	do	297	do	29	do	86 13
120	do	do	do	292	do	30	do	87 60
118	do	do	do	287	do	31	do	88 97
116	do	do	do	282	do	32	do	90 24
114	do	do	do	277	do	33	do	91 41
112	do	do	do	273	do	34	do	92 82
110	do	do	do	268	do	35	do	93 78
108	do	do	do	263	do	36	do	94 68
106	do	do	do	258	do	37	do	95 46
104	do	do	do	253	do	38	do	95 74
102	do	do	do	248	do	39	do	96 72
100	do	do	do	243	do	40	do	97 17
98	do	do	do	238	do	41	do	97 58
96	do	do	do	233	do	42	do	97 86
94	do	do	do	228	do	43	do	98 60
92	do	do	do	224	do	44	do	98 60
90	do	do	do	219	do	45	do	98 55
88	do	do	do	214	do	46	do	98 44
86	do	do	do	209	do	47	do	97 97
84	do	do	do	204	do	48	do	97 92
82	do	do	do	199	do	49	do	97 51
61	do	do	do	149	do	50	do	74 50
57	do	do	do	139	do	51	do	70 89
53	do	do	do	129	do	52	do	66 93
49	do	do	do	119	do	53	do	63 07
45	do	do	do	110	do	54	do	59 40
41	do	do	do	100	do	55	do	55 00
37	do	do	do	90	do	56	do	50 40
33	do	do	do	80	do	57	do	45 60
29	do	do	do	70	do	58	do	40 60
25	do	do	do	60	do	59	do	35 40
21	do	do	do	50	do	60	do	30 00
17	do	do	do	40	do	61	do	24 40
				8229 yds. 37 1-2 cts. ₱ yd.				$3089 53
Bring down.....				5923	"			1018 92
Whole amount.....				14,152 yds.				$4108 45

29 cents average cost of the deepest cutting.

Your reply was that there were contested accounts with other contractors of a less equitable nature, and that the notes for the cattle were not all collected, and further Mr. Barrett the Engineer you supposed had all the calculations necessary to make an equitable settlement when the whole could be closed.

252. Do you think the slides in the Deep Cut were occasioned by the earth being placed too near the bank, and in what manner was your earth deposited? —I do not think that the earth being placed near the Canal, operated to occasion the slips—the manner in which I found the earth as I have before described was such as to leave large ponds of water standing near the edge of the Canal; and the manner in which I placed the earth was to raise the part nearest to the Canal a little the highest so as to give a gradual slope from the Canal carrying all the water that fell on the banks quite to the back side of the earth taken out of the ditch, being a distance from the Canal of 10 to 15 rods, which I consider tended to prevent the slips, for I think not 1000 yards and most likely not more than 100 yards of the earth taken out of my 77 chains has ever slipped into the Canal to this day, and not a slip took place on that part of the work which I finished until long after the work was given up and the new line established.

253. Were you a contractor with Hovey, Ward & others, to build 34 locks on the Welland Canal? and what was the plan and specification on which that contract was predicated?—I was. The plan and specification which Mr. Lewis exhibited, on which the contracts were predicated were as follows—The locks were to be built with face and rear timbers and round ties without any hollow quoin posts, the projection in the face timber being rounded out to receive the gate. The quantity of square timber was about 18000 feet to each lock—the quantity of round ties was about 6000 feet—the quantity of wrought iron was about 8 or 9 cwt. to each lock—there was not in the specification any cast iron for the paddle gates, neither was there any plank for planking the floor of the locks. The quantity of square timber used in each of the locks when finished was about 31000 feet to each lock—Round ties was nearly 7000 feet—the wrought iron about 35 or 36 cwt.—there was 30 cwt. of cast iron in each lock, contained in 4 paddle gates of 750 lbs. each, and about 3000 feet of plank.

254. Were the principal additions of timber, iron, and labor added by Messrs. Thomas & Barrett before you sub-contracted the workmanship of the locks to Squires and others?—They were—they were made in the season of 1826, and a number of the locks were completed in that season.

255. Have you any statements of Mr. Barrett's as to the worth of the extra labor which was added after the sub-contractors made their contracts with you?—I have. (Witness handed in the following:)

WM. M. DOTY ON LOCKS.

Posts and Braces to locks,—670 @ 6 cents,.....	$	40 20
Sheet Piling Locks,.....		11 00
Trenails in front and rear,.....		10 00
Labor on extra Planking,.....		6 00
Reaving breast with backing timber.....		8 58
Timbers on each side at head.....		2 00
Tonguing timbers below hollow quoin posts.....		9 45
Caulking at the breasts.....		2 50
Brush at head of Locks.....		3 00
Putting in mitre sill bolts.....		8 00
Timber for braces to stud on.....		5 00
	$	105 73
Lock No. 11 without waste weir $1000.		
Deduct for note.....		17 00
	$	88 73

WM. M. DOTY,

In account with O. PHELPS.

On account of Lock No. 32.....	$ 400 00		$ 400 00
Ditto ditto 31.....	1050 00		
Extra on ditto.....	105 73		
		1155 73	
Carried forward.....			1555 73

Brought forward.....		1555 73
Ditto Lock No. 30.....	1050 00	
Extra as above.....	105 73	
		1155 73
Ditto Lock No. 11, without waste weir...	1000 00	
Deduct floor lining omitted.....	40 00	
	960 00	
Add extras.....	88 73	
		1048 73
Lock No. 10 the same.....		1048 73
Lock No. 9 ditto		1048 73
Lock No. 8 ditto		1048 73
	$	6906 38

I do hereby certify that the above allowances for extra work, &c. are correct and in accordance with the allowances made Mr. O. Phelps by the Welland Canal Company, in my opinion.

I believe the above prices to be equal to 1050 dollars for a lock of 10 feet lift with a waste weir of 40 feet in length.

ALFRED BARRETT,

St. Catharines, 26th March, 1836. *Engineer, W. C. C.*

256. Have you ever refused to make any allowance whatsoever to those sub-contractors which the Engineer deemed to be just and right?—I never have. (Witness here handed in the following letter):

DEEP CUT, *14th May*, 1828.

Gentlemen to whom Mr Doty is indebted:

Mr. Doty has this day been to me to grant him some assistance, and I am willing to do all in my power to enable him to settle every honest debt as far as I can consistently, but there seems to be some difficulties in the way at the present time which prevent him from paying and me from accepting, which I will state; since I contracted with Messrs. Tayler and Doty I have been directed to make many important alterations in the locks which has added to the expense. The additional materials will, I think, amount to one hundred dollars on each lock, and the additional labor is very considerable, and this whole expense of materials and labor has not yet been estimated and it seems to have been objected to be done until the locks are finished. Neither Mr. Doty nor myself know what we are to be allowed. Mr. Doty and the other men who are builders in his situation think the extra work on each lock is worth two hundred dollars over and above the materials, which if allowed would make from 8 to 10 hundred dollars difference with Mr. Doty; and it seems that on account of the water he cannot finish the locks at the Village this month, and if Mr. Doty's creditors should deem it expedient to wait on him until the first of July he could then have five or six locks finished, and could have his locks accepted and his extra work estimated and paid; but should they compel him to stop at this time it will be out of his power, as he informed me, to pay them; I would therefore recommend his creditors in the village to ascertain all that he is owing there, which is the principal that he owes, and let this letter and agreement remain in the hands of some one that you may appoint, that all may share equal in what can be paid the first of next month; and I doubt not but all may receive the whole amount due the fore part of July, at which time a settlement can easily be made, which as it is now very difficult Mr. Doty and myself have both agreed that I pay him nothing further except the labor and board of his hands and his own labor at one dollar and 25 cents including board and the expense of ox feed until this settlement is made, which shall be made in your presence or such one as you shall appoint. And I shall feel disposed to do all in my power to accommodate Mr. Doty, and to enable him to get along, but have already been informed that I had paid more on the locks than I had ought in their present state, and as I paid Mr. Mylne about two hundred dollars more than his work will be estimated at, I shall not at the present time pay any thing more or accept more, but should you all agree to give Mr. Doty the indulgence, we will perform the above agreement.

OLIVER PHELPS.

257. Did ever any of those sub-contractors complain to you that Mr. Barrett was unwilling to allow the full worth of the extra work?—They did frequently.

258. Did you ask each sub-contractor to make out his statement of what he thought the extra work was worth that you might lay it before Mr. Barrett?—I asked them to make out a statement of what they thought the extra work was worth—They did so, and I laid it before Mr. Barrett. The average statements were $200.

259. What did you think of the correctness of those estimates of extra work made out by sub-contractors, and what of that made out by Mr. Barrett?—I think the estimate made out by the sub-contractors was extravagantly high. I think that Mr. Barrett's statement is nearly correct—from having an account given me of the different work and furnishing the materials, I made a calculation which went some 8 or 10 dollars above Mr. Barrett's. I will beg to present Mr. Squires' account. (The witness here handed in the following document:)—

SYDNEY R. SQUIRES,

ST. CATHARINES, *25th February*, 1836,

In account with OLIVER PHELPS.

1827.		Dr.	$ cts.		Cr.	$ cts.
December	1	To Sundries,	5 13	August 22	By labor on lower Saw-mill in December, 20 days,	25 00
	5	" Paid order,	9 00		" ditto in January, 21 1-4 ditto	26 56
	17	" Cash	217 00		" ditto in February, 1 1-2 ditto	1 87
	25	" Cash	6 00		" ditto on upper mill at K.'s in February, 11 days,	13 75
1828.						
January	28	" Cash	272 00		" Lock No. 1.	1105 73
February	13	" Cash	144 00		" do do 2,	1105 73
	17	" Cash	50 00		" do do 3,	1105 73
April	9	" Cash	195 00		" do do 4,	1105 73
	10	" Cash	302 00			
			1200 13			4490 10

MR. SQUIRES' ACCOUNT CONTINUED.

1827.	Dr.	$ cts.		Cr.	$ cts.
		1200 13			4490 10
June 4	" Sundries - - - - - -	5 00		" Extra head of No. 1, - - -	50 00
10	" Cash - - - - - -	300 00	1836.	" Balance on Deep Cut work, -	86 71
July 5	" Cash - - - - - -	211 00	January 20		
11	" Cash - - - - - -	208 00		" Sundries, - - - - - - -	8 75
September 15	" Cash - - - - - -	257 00		" 14 days counter hewing, - -	14 00
October 1	" Cash - - - - - -	289 00		" Extra work four Locks, - -	55 00
26	" paid Goodman & Weeks, - -	51 44		" Boards, plank, and sleds, - -	136 17
November 19	" Cash - - - - - -	25 00		" Extra at Lock No. 1, directed by Mr. Barrett, - - - - -	50 00
December 1	" Cash - - - - - -	65 00		" 2 Adze, - - - - - - - -	6 00
25 & 30	" Cash - - - - - -	14 50			
		2626 07			
1827.	Per Colburn and Squires's account				
March 7th to May 1	To Sundries, - - $173 65				
May 12	" Load of Bran, - - 4 18				
do.	" Cash - - - - 350 00				
20	" Cash - - - - 32 00				
June 8	" Order - - - - 10 77				
do.	" Cash - - - - 450 00				
July 12	" Cash - - - - 450 00				
August 7	" Cash - - - - 469 00				
September 7	" Cash - - - - 100 00				
11	" Cash - - - - 185 00				
August 14	" Cash at Deep Cut, - 100 00				
		2324 60			
1828.					
February 10	" Sundries - - - - -	10 00			
June 13	" Cash - - - - -	20 00			
July 1	" Cash - - - - -	40 00			
28	" Cash - - - - -	25 00			
August 22	" Cash and Sundries - -	26 63			
28	" paid Self, - - -	6 00			
1830.					
January 23	" Cash - - - -	40 00			
		$ 5118 30			
	Dr. To work at Lock No. 1, credited twice.	50 00			
		$ 5163 30		By balance brought down, - - -	271 57
	To balance brought down, - - - -	271 57			$ 5163 30

OLIVER PHELPS,
Per ORRIN S. PHELPS.

260. Did you at all times endeavor to follow the directions of the Engineer as far as possible, and did you direct all your sub-contractors to do so?—I did. Whenever I saw a stick of timber worked into the lock, or attempted to be, that was at all unsound, or any tie that I thought was too small and inefficient, my invariable rule was, not barely to tell them that that would not answer, but take an axe and with my own hands cut it to pieces so that it would not be worked in, or if worked in cut it in two, so that it would have to be taken out.

261. Were the locks accepted and your contract closed when Mr. Barrett made the final estimate, and in what year?—They were accepted and contract closed; and I cannot say in what year.

262. How long since were the first locks finished?—In the Fall of 1826.

263. What length of time did you understand from Mr. Thomas, Mr. Geddes and other experienced Engineers that the upper part of a wooden lock would last?—Generally about ten years.

264. Did you build the last 4 locks at the Deep Cut? did the sub-contractors who complained that you pocketed their money put in proposals, especially Mr. Squires? and at what price?—I did. I put in proposals at $3,600 per lock. The proposals of Squires was $4,500—being $900 above my proposition. The locks of the Deep Cut were of the same length and breadth as the 32 locks—the only difference was the dovetailing of the corners, except they were 2 feet less lift, these being 8, and others mostly 10 feet lift.

265. Have you ever or at any time asked any particular or individual favor from any Director, or intimated in any way to any Director that they would receive an individual benefit from your contracts?—I never have.

266. Did you make a contract with George Keefer

Esquire, for furnishing you a certain parcel of timber as a material for building locks?—I did so, early in the Fall of 1825.

267. What were the kinds of timber which he was to furnish and deliver, and at what prices?—The kinds of timber were—1st, Round ties 15 feet long and 9 inches diameter at the top, at 6s. 3d. or 100 feet running measure—Back timbers 1 foot square at $3,50 per hundred, or $35 per thousand feet—Face timbers at $4 per hundred or $40 per thousand feet cubic measure—the timber to be generally pine and oak—mitre sills—hollow quoined posts, and gate timber at $5 per hundred cubic measure, to be of the best white oak timber.

268. Did you pay him a higher price than you paid others for the same kind of timber in equal situations? —I did not—I considered it one of the best bargains I made for timber. Mr. Keefer was a stranger, and I did not know he was in the direction.

269. Was Mr. Keefer at all interested in the estimate of the locks or timber further than to receive the price which he contracted for, or did he receive any advantages above that of any other person wholly disconnected with the Canal?—He did not from me, nor to my knowledge from any other source.

269. (*a*) Was there ever a word passed between you and him either directly or indirectly that he should receive a benefit by your success in the locks, or that you should receive any benefit from his being a Director?—There never was.

270. Did you sustain much loss by horses and oxen, that died or got killed, and in the sale of the remainder, below the cost?—did you lose much in wagons, carts and ploughs?—did the shanty and shanty furniture turn to much account at the close of the work?—I did—I present these invoices to the Committee as an answer to that question. (Witness gave in the following papers :)—

Mr. Oliver Phelps,

To The Welland Canal Company, *Dr.*

		$ cts.	£ s. d.
1827			
June 19,	To 5 barrels Pork for Carpenter at Chippawa, @ $10,.....	50 00	12 10 0
	To 25 do. per order herewith, Messrs. McNeilledge,....	250 00	62 10 0
	To 600 B. Grain delivered by Ward & Co. Deep Cut, @ $50,.....	300 00	75 0 0
	To 20 B. Corn delivered at Short Hills, ...	10 00	2 10 0
	To 46 B. do. delivered at Harbour,.....	23 00	5 15 0
	To 40 B. do. delivered Mr. Cumming, Chippawa,.....	20 00	5 0 0
	To 7 Tons Hay at Levoir's, Four Mile Creek, per bill,.....	87 50	21 17 6
	To 228 B. Wheat, @ 4s.—74 B. Peas, 3s. 6d. . } per A. Rowley, {	146 37½	36 11 10
	To 4 Tons Hay, @ $12 ₱ ton,..... } {	48 00	12 0 0
	To 549 B. Grain from Newlove, @ 50,.....	274 50	68 12 6
	To $53\frac{47}{60}$ B. Wheat, @ 50, }	26 88	6 14 5
	To $25\frac{47}{60}$ B. Rye & Corn, } Mr. Leonard,.....	12 68	3 3 5
	To 100 B. Rye & Corn, }	50 00	12 10 0
	To order on Jacob Keefer for balance of forage due to the Company,	1265 00	316 5 0
	To order on Mr. C. Leod, balance of cash advance on forage account,	181 60	45 8 0
		$ 2745 53	£ 686 7 8
	To Mr. Rowley for balance,.....	526 66	131 13 4
	To Mr. Davis do.	786 41	196 12 1
		$ 4058 60	£1014 13 1
	To Mr. Newlove do.	512 61	128 3 1
		$ 4571 21	£1142 16 2
	To 2 barrels Pork, Ewert, McNeilledge & Co., @ $10,.....	20 00	5 0 0
		$ 4591 21	£1147 16 2
	Deduct from Mr. Leonard,.....£ 37 0 0		
	46 B. Corn at Harbour, charged Hovey,.. 5 15 0		
	£ 42 15 0	171 00	42 15 0
		$ 4420 21	£1105 1 2

INVENTORY *of Donaldson & Martindale's property on hand; taken by Mr. O. Phelps, June* 1st, 1827.

	$	cts.
Shanty, boxes, boards, &c.,	70	00
1 doz. shovels,	13	50
300 lbs. English iron, @ 5d	15	62½
108 do do for wagons, @ 5d	5	62½
124 lbs. do do in bars, @ 6d	7	75
240 lbs. iron for axletrees, @ $7	16	80
108 lbs. Swedes iron, @ 7d	7	87½
32½ galls. whiskey, @ 2s 8d	10	83
161 lbs. iron, English, at B. Smith's, @ 5d	8	37½
4 bbls. pork, @ $10	40	00
19 blankets and 8 straw ticks,	12	00
½ doz. knives and forks,	1	06
1 doz. plates,	0	87½
1 frying pan,	0	94
1 pail,	0	50
12 bushels potatoes, in shanty,	3	00
70 do do at Davis',	17	50
6 bags and making,	4	37½
Flour,	0	50
1 whiskey barrel,	0	75
1 pepper mill,	1	25
$	239	13

MR. O. PHELPS,
To the Welland Canal Company, Dr.

	$	cts.
Wheat, 1390 08		
Corn, 884 21		
Rye, 247 15		
2521 44 @ 50 cts.	1260	85
Pease, 58 @ 3s 6d Y'k.	25	37½
Storage, turning in and out, @ 1½ cts. ℔ bushel,	38	68
$	1324	90½
Delivered Striker, ℔ order of Welland CanalCompany, 62 46/60 @ 50 cts. $31 38		
Storage, &c. on do., 94	32	32
Balance, $	1292	58½

J. K.

Deep Cut, Welland Canal, June 11th, 1829.

INVENTORY *of the property in the charge of Alexander Vanalstine, and belonging to Hovey & Ward, June* 4th, 1827.

	$	cts.
18 straw ticks, @ 7s	15	75
50 old blankets, 8s	50	00
17 empty barrels, 3s	6	37½
5 shanty tables, 6s	3	75
7 do benches, 3s	2	62½
1 cupboard, 12s	1	50
Carried forward, $	80	00

	$	cts.
Brought forward, $	80	00
1 sink, @ 8s	1	00
13 2/12 doz. tins, small, 4s	6	58
1 funnel, 1s	0	12½
4½ doz. iron spoons, 3s	1	68½
3 8/12 doz. knives, 4s	1	81½
2 large tins, 2s	0	50
1 kettle and pot, 4s	0	50
1 iron meat fork, 4s	0	50
2 brass cocks, 2s	0	50
2 trace chains, 2s	0	50
1 large brass boiler, 20s	2	50
1 knife tray, 2s	0	25
1 bread tray, 4s	0	50
1 large kettle, 32s	4	00
1 do do 12s	1	50
1 cooking stove, $40	40	00
1 plough, $18	18	00
2 picks, 6s	1	50
2 doz. old shovels, $6	12	00
5 scrapers, $12	12	00
½ bbl. pork, $5	5	00
½ bbl. vinegar, $2	2	00
1 bbl. soap, $4	4	00
4 candlesticks, 1s	0	50
1 bake oven,	2	00
Shanty and stables,	100	00
Repairs, &c.,	10	00
176 lbs. chain, @ 1s	22	00
$	251	45½

INVENTORY *of the property belonging to Hovey & Ward, and bought by Mr. Oliver Phelps, June* 4th, 1827.

	$	cts.
43 old blankets, or 21½ pair, @ $2	43	00
33 do do or 16½ do $2	33	00
18 do do or 9 do $2	18	00
20 straw bed ticks, 87½cts	17	50
2 beaudetts, $1¼	2	50
1 mattrass, $2	2	00
4 bbls. beef, $8	32	00
5 bus. beans, 6s	3	75
1 bbl. vinegar, 32s	4	00
1 grind stone, 20s	2	50
22 empty bbls., 3s	8	25
1½ bus. salt, 6s	1	12½
28 old shovels, 4s	14	00
39 do do, very bad, 3s	14	62½
1 wooden scoop, 8s	1	00
1 pair large steel yards, $3¼	3	25
4 cast steel axes, $2	8	00
3 pair new ox bows, 50cts	1	50
1 tin horn, 8s	1	00
1 pot and kettle, $1¾	1	75
1 tin pail, 4s	0	50
4 lbs. G. salts, 1s	0	50
3 funnels, 1s	0	37½
4 wooden pails, 2s	1	00
1 cup-board, 14s	1	75
1 large kettle, 26s	3	25
1 boiler, 16s	2	00
Carried forward, $	222	12½

T

			$ cts.
	Brought forward, - - - - $		222 12½
1	trammel, - - - - - - -	@ 8s	1 00
4	shanty tables, - - - - -	8s	4 00
8	do benches, - - - - -	3s	3 00
388	lbs. chain, - - - - - -	1s	48 50
1	tin boiler and scoop, - - -	12s	1 50
1	chopping knife, - - - -	8s	1 00
2	old picks, - - - - - - -	6s	1 50
1	set wagon boxes, - - - -	10s	1 25
2	pair small hinges, - - -	2s	0 50
324	lbs. old irons, - - - - -	5cts	16 20
1	pump, - - - - - - - -	$15	15 00
31	bags—holey, - - - - -	3s	11 62½
2	hay racks, - - - - - - -	8s	2 00
10	new boxes, - - - - - -	8s	10 00
1	rake, - - - - - - - -	2s	0 25
3	pitchforks, - - - - - -	4s	1 50
		$	340 95
27	wagons,		
3	carts,		
20	span horses,		
13½	yoke oxen,		
2	cows,		
23	set horse harness,		
2	ploughs,		
1	scraper,		
600	bush. corn, wheat and rye,		

INVENTORY *of Mr. Rowley's property on hand—taken 5th June,* 1827.

			$ cts.
13	pair old blankets, - - - -	@ 10s	16 25
4	coverlids, - - - - - - -	5s	2 50
9	straw ticks, - - - - - - -	8s	9 00
1	dozen knives and forks, - -	12s	1 50
1 8/12	dozen tin dishes, - - - -	4s	0 81
1 8/12	dozen tin cups, - - - -	8s	1 66½
2	pepper boxes, - - - - -	6d	0 12½
½	bushel salt, - - - - -	6s	0 37½
2	dozen iron spoons, - - - -	4s	1 00
1	tea kettle, - - - - - - -	12s	1 50
1	tea pot, - - - - - - - -	8s	1 00
1	large pot, - - - - - - -	20s	2 50
1	large kettle, - - - - - -	20s	2 50
½	gallon measure, - - - - -	2s 6d	0 31
1	tin horn, - - - - - - - -	2s 6d	0 31
2	stone jugs, - - - - - -	2s	0 25
1	copper boiler, - - - - -	$10	10 00
3	patent pails, - - - - -	3s	1 12½
3	barrels soap, - - - - - -	$3	9 00
12	barrels beef, - - - - -	$7½	90 00
	blacksmith's tools, - - - -	$50	50 00
4	curry combs, - - - - -	1s	0 50
2	wheel-barrows, - - - - -	10s	2 50
184	lbs. chain, - - - - - - -	15cts.	27 60
7	old whipple trees, - - -	2s	1 75
½	barrel vinegar, - - - - -	$4	2 00
1	pair steel yards, - - - - -		4 00
1	pick, - - - - - - - - -		1 50
1	crow bar, - - - - - - - -		2 00
1 5/12	dozen shovels, - - - - -	$16	22 70
½	dozen old do. - - - - - -	$6	3 00
2	brass cocks, - - - - - -	2s	0 50
	Carried forward, - - - - $		269 77

			$ cts.
	Brought forward, - - - - $		269 77
½	barrel grease, - - - - - -	$1	1 00
2	padlocks, - - - - - - -	4s	1 00
2½	cwt. flour, - - - - - - -	12s	3 75
1	bread tray, - - - - - - -	4s	0 50
1	pump, - - - - - - - - -	$5	5 00
30	old barrels, - - - - - - -	1s 6d	5 00
6	pork barrels, - - - - - - -	3s	2 25
105	lbs. old iron, - - - - - -	$5 cwt.	5 05
3	old yokes, - - - - - - -	8s	3 00
1	grind stone, - - - - - -	6s	0 75
1	stove and pipe, - - - - -	$7	7 00
2	old axes, - - - - - - -	6s	1 50
2	pitch forks, - - - - - -	2s	0 50
½	bushel beans, - - - - -	8s	0 50
10	old chairs, - - - - - - -	3s	3 75
2½	bushel potatoes, - - - -	2s	0 62½
1	barrel pork, - - - - - - -		12 00
1	large stone jug, - - - - - -		0 37½
84	lbs tallow, - - - - - -	8 cts.	6 72
5	gallons boiled cider, - - -	1s 6d	0 94
1	bbl. whiskey 45 galls.	2s 8d, bbl. 4s.	15 50
15	bags, - - - - - - - - -		5 50
1	Sny box, - - - - - - - -		5 00
1	large wheel for cart to plough near the banks, - - - - - - - -		10 00
1	old plough, - - - - - - -		5 00
2	carts without wheels, - - - -		10 00
2	block carts, - - - - - - -		12 00
1	cow, - - - - - - - - -		12 00
1	sleigh and 2 sleds, - - - - -		15 00
1	sow and 6 pigs, - - - - - -		20 00
1	machine and rope, - - - - -		80 00
15	scrapers, - - - - - - - -		37 00
4	common carts, - - - - - -		60 00
1	plough cart, plough chain, & clevice,		50 00
2	waggons, - - - - - - - -		90 00
25	oxen and yokes, - - - - -		610 00
	Buildings and improvements, - - -		165 00
74	lbs. chain, - - - - - - -		11 10
		$	1544 08
	Beef returned, - - - -		90 00
	Due Mr. Rowley, - - $		1454 08

June 12th, 1827.

INVENTORY *of the property now on the premises of Mr. Hathaway and are to be delivered to Mr. O. Phelps, June 1st,* 1827.

			$ cts.
25½	pair blankets now in use, -	@ $2	51 00
16	straw ticks, - - - - - -	$1½	24 00
14	linen sheets, - - - - - -	75 cts.	10 50
1-5	pail kettle, - - - - - - -		4 00
1	small do. - - - - - - - -		2 00
1	bake do. - - - - - - - -		2 50
1	little skellet, - - - - - - -		0 37½
1	large pot, - - - - - - -		2 00
3	iron basins, - - - - - - -		1 00
3	dozen knives and forks, - - -	$1¼	3 75
2 2/12	dozen iron spoons, - - -	50 cts.	1 08
4	tin peppers, - - - - - -	9 cts.	0 36
	Carried forward. - - - - $		102 56½

		$	cts.
	Brought forward, - - - - - $	102	56½
3	earthen salts, - - - - - 6 cts.	0	18
3	dozen cups and sauccrs, - - 50 cts.	1	50
2½	dozen plates, - - - - - 75 cts.	1	87½
8	quart bowls, - - - - - 6 cts.	0	50
1	tin tea cannister, - - - - - 3s	0	37½
11	small tin pans, - - - - - 2s 6d	3	46½
4	large tin do. with handles, - 4s 6d	2	25
9	square tins, - - - - - - 1s 6d	1	68½
1	large coloured pitcher, - - 3s	0	37½
1	tin candlestick, - - - - - - -	0	16
3	iron do. - - - - - 15 cts.	0	45
3	tin dippers, - - - - - - 2s	0	75
1	skimmer, - - - - - - 1s	0	12½
1	chopping knife, - - - - - - -	0	50
3	tin coffee pots, - - - - - 5s	1	87½
3	tea kettles, - - 1 @ 8s—2 @ 12s	4	00
4	small butter plates, - - - - 4d	0	16
1	bread tray, - - - - - - - - -	1	00
1	pair small steelyards, - - - - -	1	00
1	pair large do. - - - - - -	4	00
20½	pair new blankets, - - - - $3	61	50
2836	lbs. salt beef, - - - - - - 4 cts.	114	50
4	lanterns, - - - - - - - 2s 6d	1	00
1	tin horn, - - - - - - - - - -	1	50
1	barrel salt pork, - - - - - $14	14	00
70	lbs. do , - - - - - - - -	4	90
47	lbs. smoked ham, - - - - - 8 cts.	3	76
129	lbs. smoked beef, - - - - - 6 cts.	7	74
35	bushels salt, - - - - - - 7s	30	62½
366	lbs. tallow, - - - - - - - 10 cts.	36	60
1	looking glass, - - - - - - - -	0	75
3	straw ticks, - - - - - - 12s	4	50
2	linen sheets, - - - - - - - 6s	1	50
2	dung forks, - - - - - - - 8s	2	00
5 9/12	dozen new backstrap shovels, $16	92	00
2½	dozen old shovels, - - - - - $6	15	00
91	lbs. crow bars, - - - - - - 12½ cts.	11	37½
1	pair shovel and tongs, - - 50 cts.	0	50
2	old axes, - - - - - - - - 8s	2	00
1	wheel-barrow, - - - - - - $2	2	00
1	grind stone 200lbs. and crank, $6	6	00
1	pit saw, 6½ foot, - - - - - - -	4	00
5	½ bushel measures, - - - 75 cts	3	75
7	½ do. boxes, - - - - - - 1s	0	87½
7	new coat bodies, - - - - - 8s	7	00
3	new yokes, not ironed, - 75 cts.	2	25
371	feet hickory timber, - - - - -	4	00
298	lbs. chain, - - - - - - - 16 cts.	47	68
7	whiskey barrels, - - - - - 50 cts.	3	50
1	grog kettle, - - - - - - 75 cts.	0	75
1	large cask, - - - - - - - 75 cts.	0	75
1	small do. - - - - - - 50 cts.	0	50
1	wooden box, - - - - - - 3s	0	37½
3	barrels whiskey 36, 30, 36 gallons, barrels, - - - 50 cts. @ 2s 6d	33	37½
3	pecks, - - - - - - - - - $1	3	00
16	waggons, - - - - - - - - $55	880	00
4	machines, - - - - - - - $170	680	00
2	ploughs and 1 plough oart, - $70	70	00
1	sett horse harness, - - - - $20	20	00
	Brought forward, - - - - - $	2304	34½
	Carried forward, - - - - - $	2304	34½
1	cooking stove and furniture, - $50	50	00
1	small stove and pipe, - - - $12	12	00
24	yoke oxen, - - - - - - - $68	1632	00
3	horses, - - - - - - - - $50	150	00
1	cow, - - - - - - - - - $16	16	00
4	hogs, - - - - - - - - - $5 ea.	20	00
	Hay at Mr. Mann's, - - - - - -	114	00
1	barrel cider, - - - - - - $2	2	00
	All the shanty, &c. - - - - - -	300	00
1	grey horse, - - - - - - - - -	80	00
1	sett double harness, - - - - - -	16	00
8	curry combs, - - - - - - - 1s	1	00
3	pitch forks, - - - - - - - 3s	1	12½
¼	barrel tar, - - - - - - - - $6	1	50
50	bags, - - - - - - - - - 3s	18	75
10	whip lashes, - - - - - - - 1s	1	25
800	lbs. meal, per hundred, - - 8 cts.	18	00
1606	lbs. bran, - - - - - - - - 4s	8	03
1970	lbs. meal, - - - - - - - - 8s	19	70
172	bushels oats, - - - - - - 2s 6d	22	50
1	horse pail, - - - - - - - 2s	0	25
2	water pails. - - - - - - - 3s	0	75
2	large towels, - - - - - - 4s	1	00
1	powder canister, - - - - - 6s	0	75
36½	bushels wheat at shanty, - - 4s	18	25
797½	bushels corn at Street mill, - - 4s	398	75
49	bushels potatoes, - - - - 2s	12	25
8	dozen new shovels, - - - - $15	120	00
100	bush. corn, part at Becket's & Decow's	50	00
18	lbs. chain, - - - - - - - 16 cts.	2	88
	Amount, $	5393	08
2	beds and bedsteads, - - - - - -	30	00
	$	5423	08
	Provisions to Luke Shurman, - -	58	98
57	bushels wheat and corn, - 4s	28	25
	Discount on drafts, $5,000, - - -	83	80
2	ton straw, - - - - - - - - -	10	00
1	pump, - - - - - - - - - -	5	00
34	lbs. English iron, - - - - 5 cts.	1	70
5½	E. steel, - - - - - - - - 1s 6d	1	03
	Full amount, $	5611	84

Received, Deep Cut, 12th June, 1827, from Oliver Phelps, five thousand, six hundred and eleven dollars, 84/100—being the full amount of this inventory of property sold him by me.

SYLVESTER R. HATHAWAY.

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271. How much do you think was the actual loss on the shanty furniture and other property bought of the other contractors, and on all the outlay of cattle, horses, wagons, carts, &c., for which the Canal Company, furnished you means to purchase, charged in your account?—[In answer to this question, the witness handed in the following document:]

STATEMENT OF LOSSES, &c.

	Original cost per Article.	Total cost of original Articles.	No. of articles on hand at the close.	What sold for at the close.	Total amount Received.
250 Yoke of oxen and yokes,	$60 00	$15000 00	250	$40 00	$10000 00
150 large carts,	30 00	4500 00	150	15 00	2250 00
55 Waggons,	55 00	2750 00	55	30 00	1650 00
44 Horses,	63 00	2772 00	half died with the glanders.		1000 00
25 Set of harness,		496 00	mostly worn out.		250 00
Shanties and furniture,		2072 00	mostly worn out.		500 00
Machines purchased,		910 00	mostly lost.		100 00
8 Potash kettles,	34 00	270 00	8	16 00	128 00
19 Caldron kettles,	10 00	190 00	19	6 00	140 00
Meeting house,		300 00			225 00
Office, boarding house, and store,		400 00			300 00
2 Mechanics' shops,		150 00			75 00
Stables, racks, &c.		200 00			50 00
Water works,		300 00			
Scrapers and crow-bars,		456 00			150 00
Chains,		107 00			100 00
		$30873 00			$16918 00

The above statement is far less than the actual loss—in the first place many of the oxen got killed by running off the bank—many died otherwise—the horses mostly all of them had the glanders when I took the work; and I do not think that all the sales that could be mustered would amount to $500—of the waggons many were broken to pieces—and many old wheels remaining, and many of them cost $5 more than I put down, and I presume thirty of them were never sold—some that were sold the debts were lost, and some were stolen—the harness would not have sold for half I have put it down, for I have an old hogshead full yet that is not worth five dollars—the shanties were log shanties, and my son who was clerk at the sale says there was not two hundred dollars—and the loss on the store, office, and boarding house was $150 more than I have put down. The shingles were almost a total loss—the boards were stripped off and sold for what they would fetch, and the frame sold Mrs. Patterson—and I have give it as my opinion that the loss on the property could not have been less than twenty thousand dollars—the carts at the close were but a little over 90 good ones, and those sold from 11 to 14 dollars. I have not in this calculation pretended to give the full amount of losses or to be very particular as you have the credit of all of this property that remained when sold, and the notes were turned into the Company; and you will find a credit made to me of the amount, and I have only done this to give some little idea of the loss that must and did accrue in closing up such a great work.

OLIVER PHELPS.

272. As testimony has been introduced to prove that you were worth little or no property when you came to Canada, did you not pay $400 to Mr. Dettrick on land, and a considerable payment to Mr. Hartwell, and build several houses and get out many thousand feet of timber with your own money before you asked for a dollar from the Company, and whether you can state about the amount of property you brought into Canada?—(Witness gave in the following paper):

Statement of property of Oliver Phelps when he first came to Canada as afterwards sold.

	$ cts.
One dwelling house and barn and 17 acres of land sold Gideon Morehouse,	1200 00
1 1-4 acre of orchard, a barn and shed sold to Benjamin Joy for	350 00
To one dwelling house,	600 00
Carried forward,	$ 2150 00
Brought forward,	$ 2150 00
To a store and lot and my interest in the same, which was a capital of $1750 put in with the profits of 3 years,	3600 00
55 acres of land sold to Nicholas Townley for	1050 00
Sold two village lots at Ithaca for	600 00
Had $9,000 invested in a steam-boat, sold it to Elijah Goodwin for	2000 00
Sold out a line of Stages from Ithaca to Auburn or the route, and a part of the property (to Isaac Sherwood) for	600 00
I had several span of good horses and other stock, worth	500 00
	$ 10500 00
There were other debts and property not enumerated, so that I considered myself worth twelve thousand dollars when I came to Canada; and although I had never until the reading of Mr. Merritt's letter as to the testimony of Mr. Love Newlove, made any particular cast, yet I have often told my friends and every one who conversed with me on the subject that I was worth, when I came to Canada, about twelve thousand dollars, and I have just thought of another sale of land to Benjamin Joy, for	350 00
And also a debt due from my brother Warren Phelps, which I have, since I left, received and brought into this Province of	1100 00
	$ 11950 00

273. Was there not a full meeting of the Board of Directors at St. Catharines to close your accounts? Was not Mr. Yates present? And what did he state to you on the subject?—There was. Mr. Yates was present and stated to me that the Board had investigated the subject and had agreed to balance my account, but that as some of the locks appeared at that time to be defective he informed me that the directors would submit that part of the work to a reference, or they would receive a proposition from me to settle and close the business at once.

274. Did you make them an offer? And did they accept of that offer and give up your bond and mortgages, and did you give them a deed of a piece

of land, and at what value?—I did make them an offer of giving them a piece of land on the canal at Centreville, which I valued at $1500. They did accept the offer, and gave up my bond and mortgages, and I gave them a deed.

275. As you have closed your evidence respecting your Deep Cut and lock contracts, and as Mr. Mackenzie has asserted that I was interested with you, I wish you to state to the Committee whether you ever heard me intimate to you, or whether you ever intimated to me, either at the commencement or end of any work, or at any time, that I expected to derive any interest whatever from it—was I ever directly or indirectly concerned in any of your contracts?—did you consider I favored any contractor in any way to the disadvantage of the Company?—It never was understood between you and myself that you were to obtain any advantage from my contracts—You never were directly or indirectly concerned in my contracts. I do not know that you ever favored any contractor to the disadvantage of the Company—If you ever did, it was not me.

[Witness withdrew.]

COMMITTEE ROOM,
Friday, 4th day of March, 1836.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*
Messieurs McDonell,
Parke,
Roblin, and
Shaver,—5.

MR. PHELPS *again called, and further examined.*

[BY MR. MACKENZIE.]

276. When was it that Mr. George Keefer, Senior, was a contractor under you for supplying timber for locks for which you were a principal contractor with the Welland Canal Company?—and was not this Mr. Keefer a Director sitting at the Board and passing judgment as such on the very contract on which he was at the same time an under contractor?—I made the contract with him in the Fall of 1825—whether he was a Director or not at that time I cannot say.

277. Was it not Hovey & Ward who invited you into this Province?—It was Mr. Hovey, one of the firm of Hovey & Ward—he invited me stating that there was a prospect of making money on the canal.

278. Did you, on your arrival in Canada, become a contractor with Hovey & Ward for 34 locks?—I did, soon after my arrival.

279. I see a charge made by you in the Deep Cut case, and allowed by the Company in this form as per the minutes now shewn you.—"For loss on sale "of cattle, the same allowance having been made to "other contractors, when Mr. Phelps took the work "—$2491;" and "for wintering the same after the work stopped—$1077;" also another item—"allowance on cattle, teams, &c., $500." What are the names of the persons who got similar allowances for wintering or for loss on sale of their cattle in 1826, 1827, or 1828, as is stated in your account above quoted?—I do not know that any similar allowances of that now shewn me on the minutes were made to any other persons.

280. After reading to you a letter from Mr. Hovey and another from Mr. Ward already given in evidence, and reminding you of what you have said to the Committee about your resolution to decline to make a proposition for the remainder of their contract because you were then a contractor and partner with them for constructing the 34 locks, I would beg to ask if this is your letter; and if yea, how can you reconcile its contents with your assertions that you declined to make propositions for fear of injuring Ward & Hovey, and with your after applications to the Board for £1250 and $7,868 of extra allowances, and to be relieved from the payment of the other £7558 generously lent you to enable you to proceed without the least embarrassment?—(Mr. Mackenzie then read the following letter.)

DEEP CUT, 16*th May*, 1827.

DEAR SIR:

Being sensible of the importance of immediate and effective measures being taken for the completion of the Deep Cut this Fall, I will suggest for your consideration the following observations.—If machines are to be built, not a moment should be unnecessarily lost. I will firstly propose that I will immediately stake out the spots for 50 machines—and if you will have earth deposited this month as they draw it out at each spot sufficiently high for each machine, I will erect the whole of them with all the rope hooks and every part of them in order for use by the 7th day of June next; and will accept 2 cents on each yard the machines shall take out, as a liberal compensation for erecting the same, and as a reward for the benefit the Company may receive, which I am sure will not be less than fifty thousand dollars.

2nd. When this is done I will join each contractor on the most friendly terms, and will purchase of them at a fair price all their horses, oxen, wagons, and carts engaged in hauling out, and will agree to take out all the earth to the bottom of the Deep Cut by the 30th day of November next for 10 cents per cubic yard—if you can agree with them on the ploughing and shoveling.

3rd. If you cannot agree with them I will make a further pro position, that is, I will do the ploughing and shoveling at fifteen cents per cubic yard, and will pay them for all their remaining teams, wagons, carts, ploughs, scrapers, shovels, shanties, furni ture, and other tools at a fair valuation—the shanties to be estimated according to the number of yards that has been excavated, and that which is to do, which will make twenty-five cents per cubic yard after the machines are built—and I will perform the whole of the operation to the entire satisfaction of the Board and the Engineer, and will complete the whole of the Deep Cut by the 30th day of November next, from the upper end of what is called Hartwell's to the lower end of Hovey & Ward's job.

Very respectfully, Dear Sir,
Your obedient servant,
OLIVER PHELPS.

WM. HAMILTON MERRITT, ESQ.

N. B.—I can shew to your Engineer by a fair and close calculation that the foregoing proposition is as low as any judicious man ought to go, if it is, and I am sure it cannot be made out more so, it will leave but $4500 to the contractor, which is none too much; and it may come out nearer even than that. I can also satisfy your Engineer by exhibiting my plan of operation and every thing necessary to carry them into effect that I am abundantly able to complete the job in the time and for the price stipulated—at any rate the Company shall not be troubled with any further begging. I can also offer to the Company as security my farm and buildings here, which are free and clear except $600 to Detrick, a hundred and odd acres at Laidlow mill with 3 good dwelling houses, 2 barns, and some village lots, with a good store and other buildings, and the best part of the steam boat on Cayuga lake, which is all free and clear and is worth altogether not far from twenty thousand dollars.

Yours,
OLIVER PHELPS.

The letter is mine—I did decline making any calculations as to what the Deep Cut could be excavated for with my machine as stated in my evidence yesterday solely on account of Hovey & Ward having

been connected with me in the locks, then being, as we ever had been, good friends and on good terms, I alleged that as the only reason why I was unwilling to enter into a calculation; I also did, as stated yesterday, decline doing the same until Mr. Merritt came to me the third time and assured me that Hovey & Ward had given up their contract and was only working under the Engineers for the time being, in addition to which I had frequently heard Mr. Ward blame Mr. Hovey very much for the course he had taken in giving up the job. All this was previous to the making of the calculation or writing this letter, and after making this calculation and after having proved the utility of the machine I shewed the calculation and statement to Mr. Barrett the Engineer, and to Mr. Merritt the Agent, who requested me to accompany it with a proposition for performing the work—and after having looked over the calculation, being, as I was, confined to my room with the ague and fever, it appeared to be very favorable, and I verily thought that I could finish the work for the price stipulated, but did not expect, as may be seen from my letter, to make any great sum by the work—the sum which I expected to make in contract was not the object; the principal object was, as I had purchased property on the canal, that I did not wish to see the canal go down—it being said by the enemies of the canal that it had already failed. After commencing the work and ascertaining that a good deal of earth on the sides of the canal, and old roads which had been estimated in the previous work, and not being able to obtain a sufficient allowance for taking out the same, and also the excavation becoming harder and more difficult, together with an extra waste of time in watering cattle, and another fact of the soil being of such a slippery clay nature that instead of losing two days in a month by wet weather according as I had calculated, the roads were so slippery in wet weather that on an average from 4 to 5 days per month were lost, at some times full 3 days in a week. I was necessitated to ask further aid and assistance or stop the work, as it will be seen what little property I had was 300 acres of land lying on the canal, and houses and lands, steam boats, &c., in the States, and having no means of my own of prosecuting the work.

281. Did you consult with your partners in the locks, Messrs. Hovey & Ward, before you sent to Mr. Merritt the proposition to supplant them in the Deep Cut contract which I have just read to you?—Did you shew them, as your friends, what you intended to do, and ask their approbation?—Mr. Merritt, Mr. Barrett, any myself, were all at the Deep Cut. Messrs. Hovey & Ward were absent in the States, and therefore I could not consult them.

282. In a letter addressed by you to the Hon. J. H. Dunn, and now shewn to you, you say that on your application about two years before, when you gave up the Deep Cut property, you had every reason to believe, from a letter directed to you by Mr. Merritt, that the Deep Cut business was set at rest, and that you are now informed that it is on account of the locks that the business cannot now be closed. Could you produce Mr. Merritt's letter to the Committee as it does not appear on the Company's letter book?—It is uncertain whether I can or not. If I can find it I will send it to the Committee.

283. It appears by the books of the Company that you received not only your contract price for so much of the remainder of the Deep Cut as you excavated before the slides took place, but also an advance of about ten thousand pounds beyond the Engineer's estimates; that from this ten thousand pounds an allowance of five thousand dollars and then another allowance of between 7 and 8000 dollars were made you, although the result of your labors was a failure; and that for the remainder of the money amounting to £7558 you are now entered on the books of the Company as a defaulter. I am informed by the officers that they are unable to produce the original contract made with you on this transaction, involving as it does an expenditure of about £50,000—that it is lost, and that they have no copy—Mr. Beaton states to me that he is not sure that he ever saw that contract. You were asked for the duplicate of it some days since—are you now prepared to produce it?—I cannot now—I am not certain that I have it in my possession—I will send it to the Committee if it is to be found.

284. Who were the sub-contractors under you?—Donaldson & Davis—I do not know but Mr. Vanalstine might have drawn his money through me for work done at the Deep Cut—I ever desired to act honestly and fairly to all sub-contractors under me. I do not recollect that there were any others, but I am not certain.

285. Can you produce to the Committee a list of the prices and allowances you severally made your sub-contractors?—I cannot—the work which was done by them was estimated by Mr. Barrett the Engineer to each man who performed the work.

286. In the absence of your contract or any copy of it can you inform us how far it extended?—Commencing at the North end of the Deep Cut, extending 77 chains.

287. You said yesterday that 15 cents ought to be allowed on the first 10 feet of the Deep Cut from the surface. By the estimate book I perceive that James Anderson appears to have performed 10,000 yards of excavation at 9 cents; Bradley & Co. 11,000 yards at 10 cents; Davis & Donaldson 14824 yards at 11 cents; Keefer & Co. 14,144 yards at 11 cents; Newlove & Porter 14,907 yards at 11½ cents, and 10,000 at 9½; Trotter & Co. 14,000 at 10½ and 11; T. Merritt 9,000 at 12½; Davis & Donaldson 121,062 yards at 12½, and 16,000 at 8¾; and a number of other persons at 8 and 9 cents; the only case where 15 cents are allowed is that of 1600 yards to Thomas Merritt Jun., a very small quantity. How do you shew by the usage of the canal that 15 cents was fair for the first ten feet?—These mentioned in the question are on the narrow canal in various sections as it runs through the country. The Deep Cut is different altogether—to which I alluded in my answer yesterday being from 130 to 150 feet in width, and I further see from the estimate of the Engineers that some of the contractors on the Deep Cut were paid 15 cents at the beginning, and afterwards was allowed three cents more making their first 10 feet amount to 18 cents.

288. You have given in a copy of an account between yourself and Sydney R. Squires, a sub-contractor for the locks. It differs from his statement to Mr. Hall already in evidence. Have you the

vouchers to support the copy you have handed in?—I have not here—I dont know that I can produce it, but the books and accounts were all examined by Mr. Squires and myself, and was satisfactory to him ex-except the allowance for extras as made by Mr. Barrett.

289. You were told by the Board, as appears by their minutes, that your Deep Cut contract would in no degree free you from the responsibility attached to your other great contract for the 34 locks then in progress; but although you had assured the Committee of the House of Assembly in 1825 that $2,200, (your contract price) was an ample price for each lock; and although it appears by Mr. Squires' statement to Mr. Hall and myself, that as a sub-contractor he received much less price than was allowed you originally, including the charges afterwards made in them, yet Mr. Hall has stated, and it is a matter of general notoriety, that the locks are badly finished and a failure, and it appears from the minutes of the Board that the Company looked to you for the strict fulfilment of that contract. Under such circumstances, what claim can you have on the Company, deeply indebted as it is to the Province, to make you a present of £7558?—I did give testimony in 1825 before a stick of timber was cut for the locks, that agreeably to a plan and specification of Mr. Lewis' upon which the contract was predicated, I believe $2,200 an ample price for the locks, and had I been allowed at the same rate per cubic foot for the timber as the locks were finished, and the same price for lock iron agreeably to the price actually worked into the locks, together with 3,000 lbs. of cast iron for the paddle gates, extra plank spike and labor, I should have been paid over a hundred dollars per lock more than I received, which was about $3,400. All the principal additional extras were added agreeable to the estimate of Mr. Thomas and Mr. Barrett in the summer of 1826 previous to my sub-contracting the work to Squires (see testimony of Mr. Barrett's statement.)

I claim the £7558 on account of the locks having been finished and accepted by the Engineer and paid for at a less price than the actual worth according to the specification, and I claim it also on account of having finished the Deep Cut, or that part of it which I finished, in the most economical and prudent manner that it was possible for me to do, and having given up all the property at the close of the work, into the hands of the Company for which they had advanced me money to make the outfit at the commencement, and also other advances during the work which was all faithfully and honestly expended on the work or given up to the Directors at the close—and also on account of having frequently been assured by the Directors that it was not their intention that I should be a sufferer by the completion of that work, as may be seen from the resolution of the Board in the Fall of 1827, and also as was assured me in the summer of 1828 when the Directors met at the Deep Cut to examine my books and accounts of the concern, after the examination of which they manifested an entire satisfaction with the method of keeping the books and accounts, and with the expenditure and progress of the work, especially as was declared to me by Mr. Robinson, and further, on a careful examination of an actual calculation of the worth of the various parts of the work performed by each individual; knowing or allowing the whole cost or worth of the Deep Cut to be 25 cents per cubic yard, I found by examination that I had been paid less than any other contractor according to the actual worth of the work including all the advances and allowances from the commencement to the close of the work, and also including the balance standing against me on the Company's books previous to my settlement with them, all of which, both as it respects the locks and Deep Cut, has been amicably settled between the Directors of the Welland Canal Company and myself and all sureties given up on the part of the Directors by my giving them as I did a certain piece or parcel of land of 40 or 50 acres joining the canal at Centreville, valued at $1500.

290. Where is the proof of any settlement between yourself and the Canal Board?—I see they allowed you to dispose of your property, but I find no evidence of a settlement on the minutes?—The proof of the settlement is the transfer of the securities given by me to them, and the conveyance by me of the deed before mentioned, to them.

291. You have said that you made over to the Company about fifty acres of valuable land—To whom did you give the conveyance of this property, for I do not find it in the Canal Office?—To the President and Directors of the Welland Canal Company. (which was produced by the President and shewn the Committee.)

292. You said yesterday that you had paid a great deal for shanties and other buildings—How is that to be reconciled with the entry on the minutes of the Board of 9th June 1827, which shew that the Company paid for all Hovey & Ward's shanties at a valuation at the time you succeeded them in their contract?—The money was advanced me by the Company, and I paid the several contractors for their shanties what I received, as will appear by the accounts put in yesterday, was charged in my account on the Company's books as advances with all the debts which the former contractors owed the Company—I assumed and they were charged me, as will be seen in the above mentioned accounts.

293. In your letter to Mr. Merritt of the 2nd of June, a few days before you took the Deep Cut contract, by which other contractors were discarded, and which letter is now shewn to you, you say,—"the worst of all is they (the contractors) are sour "and cross, and you cannot talk without being ac-"cused of either unfairness, dishonesty, or of com-"mitting a trespass by making out bills." Had they not good reason to be displeased with conduct such as yours has been in these transactions?—(Here Mr. Mackenzie produced the following letter alluded to above.)

DEEP CUT, 2*d June*, 1827.

DEAR SIR,

I have got business pretty well arranged. Mr. Hathaway has agreed on most of his property—he made out a bill and averaged the price of his oxen, and I went round and appraised each yoke separately, and only differed in the whole 31 dollars—I was the lowest. This morning took the same course with Mr. Rowley and only differed 10 dollars in 25 oxen—I was above him; all his property is satisfactorily arranged, and there is no settling plan only with Donaldson & Co. there will be a dead and total loss of about 400 dollars after allowing him his own price for every thing on hand—cattle, horses, tools, provisions, the worth of the shanty and timber, and all the iron and rope, at his bills, and willing to lose out and out 150 dollars; and if you do not come and say so I will lose the one-half; but the worst of all is, they are sour and cross, and you cannot talk without being either ac-

cused of unfairness, dishonesty, or of committing a trespass by making out bills. Nothing has been removed.

Yours in haste,

OLIVER PHELPS.

Wm. H. Merritt, Esq.

I think they had no good reason to be displeased with me; I think the true reason of their complaining or being displeased with me is, they had made great calculations of making large sums of money, as they had nearly or quite all of them expressed to me previous to my taking the contract, that they should get 40 cents per yard for finishing the Canal, as they stated it could not be done for less in their opinion, and their being disappointed in making those sums which they had calculated on, I believe to be the true cause.

294. You say that the part of the deep cut finished by you was of a harder description of soil as you increased in depth than where you began; and you say you went to the bottom. I have always understood that the deeper you went the softer the soil was, and that this softness at the bottom was one cause of the slides.—Is this so or not?—The part of the deep cut which I finished became harder as I went down, with very large stone and round rocks, and many spots of hard pan until I got about to the towing path of the upper end of my job; and as I went down it became softer, so that a man standing on some places, by springing upon it, could shake the earth 20 feet round, and we often thought in those spots that the earth appeared to swell at the bottom, as cutting a small ditch through the same would in a day or two almost become extinct; and I only attribute the banks on the north part of the work standing as well as they do to the extreme hardness and toughness of the soil above.

295. For how many thousand yards of excavation were you allowed on your deep cut contract, exclusive of any extra allowances made you? I am not able to say from my personal knowledge.

296. Was it not a part of your contract to complete the excavation in 1827, instead of which it was far from being finished in November, 1828, although every possible facility had been afforded you? It was the understanding, whether it was written in the contract or not, I was not able to accomplish what I expected, for many reasons, one of which was that I expected to begin where the other contractors left it, instead of having to bring down the sides, which contained many thousand yards, another was the hardness of the excavation, another the additional loss of time in watering cattle, wet weather, and sickness, that prevailed the latter part of the season, and having to close the work on account of the wet weather, at least six weeks sooner than we expected.

297. Answer to the best of your judgment what proportion of the earth, you excavated from the deep cut, went back into it again? No part of my work slipped in for a considerable time after the original level of the deep cut was abandoned, and I do not think to this day that there was more than one or two hundred yards slipped in—I feel quite confident there was not 1000. The Engineers compelled the other contractors to place their dirt in a similar manner to mine, considering it a preservation to the canal by turning the water at a distance back of the Canal instead of placing the earth so as to lead the water into the canal, as was invariably the case when I began.

298. Were you not as well aware of the true nature of the ground at the bottom of the deep cut when you took the contract, as other contractors who cautiously excepted quick-sand and water in their tenders? How well acquainted with these facts other contractors might have been, I cannot say—I can only say that I knew nothing of it until a small slip took place on Mr. Hartwell's job at south end of Deep Cut, after which Mr. H. told me that he always believed it could not stand, the bottom was so soft; although he died in June, previous to the slips, he stated to me, and I think to others, that he believed it would all cave in the same manner—it would cave into where we were standing, which has proved true in many respects.

299. Who was the contractor next to you on the Deep Cut—what was the depth of his cutting, and the depth where he began?—Mr. Thompson—the average of his cutting was about 45 feet—I cannot say the depth where he began—I think Mr. T. however, did not begin until the spring of 1828. I do not think he bottomed any of his.

300. You have said a good deal about your losses on shanties, cattle, horses, carts, &c.—Did your contract give you to understand that the Canal Company would find you in cattle, tools, &c., or winter your cattle, or find you in shanties, or indemnify you for your loss on teams, besides paying you the contract price stipulated?—I do not think it did.

301. Your contract not being forthcoming, I have referred to the minutes of the Canal Board of 26th of May, 1827,—present, Messrs. Dunn, two Messrs. Boulton, Clark, Keefer, and Robinson, and find that you were allowed to contract for "the whole remainder of the Deep Cut at 25 cents, with an allowance of two cents per cubic yard for machinery;" and that an agreement was entered into with you to complete this contract within six months from that day. On referring to the Estimate book, I find that instead of 27 cents you are allowed a variety of prices, extending up to 35 cents. Was this range of prices in conformity with your written contract, or on what principle was it determined?—I have frequently asked Mr. Barrett, the Engineer, the manner in which he estimated the difference from top to bottom, but he never gave me any satisfactory account. I suppose, however, he endeavored in his estimates to make the price range in such a manner from where I began to bottom as would make the whole sum amount to 27 cents.

302. Has not the results of your interference in the contracts of your brother contractors who were going on with the excavation of the Deep Cut, been to deprive them of the employment in which they had invested their means, and by which they earned their livelihood, while at the same time, although you was enabled to supplant by under bidding them in the work they were going on with, you have since come forward and claimed the additional prices they would have regularly obtained had you not been successful in monopolizing the whole work—and all this, although you had then plenty of employment as a contractor for 34 locks—a work going on at the

same time?—I have not at any time improperly interfered with my brother contractors for this reason—Mr. Merritt, the Agent, and Mr. Barrett, the Engineer, confidently assured me that there was no contract existing between Messrs. Hovey and Ward and the company—Mesars. Hovey and Ward also stated the same previous to that as well as other contractors that they should not perform the work unless they had a sufficient allowance to cover what they thought would be the actual expense—previous to my making any calculations, Mr. Merritt stated to me that he thought there was a combination of all the original contractors to extort from the company an extravagant price,—he said also to me at the same time that he thought that the Company would be willing to pay 30 cents from top to bottom, and asked me if I would not contract for some part of it —to which I replied, No.—This was previous to my proving the machine.

[By Mr. Merritt.]

303. What was the relative value of the excavation in your contract on the Deep Cut, provided the first 10 feet was worth 18 cents per cubic yard?—The relative value of mine would $38\frac{13}{100}$ cents.

[Witness handed in the following statement, &c. and withdrew.]

Statement *of* Work *done on the Deep Cut by various Contractors.*

1827	yards.	amount. $	c.	
May,	15791	3546	14	
June,	21335	5097	35	
July to November, 1828.	11199	2631	54	
	7036	1732	80	
	16554	4520	12	
	18287	3565	68	
	39844	10384	14	
	4328	6332	08	
	52389	13611	10	
	31037	9226	58	
	13749	3925	00	
	18560	6192	00	
	250209	70764	53	Average per y'd $28\frac{3}{10}$ cts.

Work *done by Davis on Deep Cut.*

1827	y'ds	
July 31,	1685	$508 80
Aug. 30,	4351	1208 17
Sept. 30,	1224	428 40
Oct. 30,	1247	436 45
Dec. 30, 1828,	998	349 30
April 30,	2500	950 00
	2526	959 88
June 30,	4361	1657 18
July 11,	6000	2280 00
Aug. 31,	4966	1887 08
	4959	1884 42
Nov. 20,	5459	2074 42
	800	304 00
	41076 yards—am't	$14928 10

Statement *of the number of yards excavated on the Deep Cut by Oliver Phelps.*

June 30, 1827,	35131	
July 31, ...	69355	
Aug. 31, ...	94150	
Sept. 30, ...	69689	
Oct. 31, ...	49139	
1828.		
April 30, ...	1289	
May 31, ...	896	
do.	27737	
June 30, ...	2639	
do.	39148	
July 31, 1829,	521	
do.	6196	
do.	33260	
Aug. 31, 1828,	5074	
do.	4367	
do.	17799	
Sept. 30, ...	3709	
do.	1245	
do.	5607	
Nov. 20, ...	5280	
do.	4714	
do.	2209	
	479154 y'ds	

Total am't of y'ds excavated by Oliver Phelps, ... 479154 y'ds—am't $131,793 00
Add work done by Davis & Donaldson, ... 41076 y'ds—am't 14,928 10
$146,721 10
520230
Add debt given up on settlement, ... 30,320 27
This makes the average per yard 34 cents. $177,041 37

A Calculation *of the average depth cutting of the whole Deep Cut, which is* 47 *feet—the average width of the first* 10 *feet is*

			yd's	cts	
	140 by (one chain)	66 ft,	3422 at	15	$ 513 30
11th ft	130 by	"	316 "	16	50 56
12th "	128 "	"	312 "	17	53 04
13th "	126 "	"	307 "	18	55 26
14th "	124 "	"	302 "	19	57 38
15th "	122 "	"	297 "	20	59 40
16th "	120 "	"	292 "	21	61 32
17th "	118 "	"	287 "	22	63 14
18th "	116 "	"	282 "	23	64 86
19th "	114 "	"	277 "	24	66 48
20th "	112 "	"	273 "	25	68 25
21st "	110 "	"	268 "	26	69 68
22d "	108 "	"	263 "	27	71 01
23d "	106 "	"	258 "	28	72 24
24th "	104 "	"	253 "	29	73 37
25th "	102 "	"	248 "	30	74 40
26th "	100 "	"	243 "	31	75 43
27th "	98 "	"	238 "	32	76 16
28th "	96 "	"	233 "	33	76 89
29th "	94 "	"	228 "	34	77 52
30th "	92 "	"	224 "	35	78 40
31st "	90 "	"	219 "	36	78 84
32d "	88 "	"	214 "	37	79 18
33d "	86 "	"	209 "	38	79 42
34th "	84 "	"	204 "	39	79 56
35th "	82 "	"	199 "	40	79 60
36th "	towing path, 61 by	66 ft is	149 "	41	61 09
37th "	" 57	"	139 "	42	58 38
38th "	" 53	"	129 "	43	55 47
39th "	" 49	"	119 "	44	52 36
40th "	" 45	"	110 "	45	49 50
41st "	" 41	"	100 "	46	46 00
42d "	" 37	"	90 "	47	42 30

Carried forward, - - $ 2514 00

		Brought forward,	-	-	-	$2514	00
43d	"	"	33	"	80 "	48	38 40
44th	"	"	29	"	70 "	49	34 30
45th	"	"	25	"	60 "	50	30 00
46th	"	"	21	"	50 "	51	25 50
47th	"	"	17	"	40 "	52	20 80
				11,004	yds		$2768 79

Which amounts to 25 cents and $\frac{16}{100}$ per cubic yard, on the whole deep cut—this average price will correspond nearly with many othor deep cuttings.—The Chesapeake and Delaware was 10 cents per yard for the first ten feet, and increased 1 cent per foot, to seventy-five feet—the average cutting of that part of the deep cut, finished by Oliver Phelps, is forty-nine feet, $\frac{85}{100}$ calculation of what remained in when taken by Oliver Phelps allowing the average depth to be 50, and that he began 17 feet below the surface—shewing the worth of the work done by him, agreeable to the foregoing calculation.

18th	ft cutting	122	ft by 66,	297	yds at	23 cts	$68 31
19th	" "	120	"	292	"	24	70 08
20th	" "	118	"	287	"	25	71 75
21st	" "	116	"	282	"	26	73 32
22d	" "	114	"	277	"	27	74 79
23d	" "	112	"	273	"	28	76 44
24th	" "	110	"	268	"	29	77 72
25th	" "	108	"	263	"	30	78 90
26th	" "	106	"	258	"	31	79 98
27th	" "	104	"	253	"	32	80 96
28th	" "	102	"	248	"	33	81 84
29th	" "	100	"	243	"	34	82 62
30th	" "	98	"	238	"	35	83 10
31st	" "	96	"	233	"	36	83 88
32d	" "	94	"	228	"	37	84 36
33d	" "	92	"	224	"	38	85 12
34th	" "	90	"	219	"	39	85 41
35th	" "	88	"	214	"	40	85 60
36th	" "	86	"	209	"	41	85 69
37th	" "	84	"	204	"	42	85 68
38th	" "	82	"	199	"	43	85 57
39th	towing path,	67	"	149	"	44	65 56
40th	" "	57	"	139	"	45	62 55
41st	" "	53	"	129	"	46	59 34
42d	" "	49	"	119	"	47	55 93
43d	" "	45	"	110	"	48	52 80
44th	" "	41	"	100	"	49	49 00
45th	" "	37	"	90	"	50	45 00
46th	" "	33	"	80	"	51	40 80
47th	" "	29	"	70	"	52	36 40
48th	" "	25	"	60	"	53	31 80
49th	" "	21	"	50	"	54	27 00
50th	" "	17	"	40	"	55	22 00
				6345	yd's		$2229 30

At this calculation, the part finished by O. Phelps, would amount to $35\frac{13}{100}$ cents per cubic yard.

The average cutting of that part of the deep cut, south of Phelps' part, and finished by others, is $42\frac{54}{100}$ feet, and they begun at 11 feet $\frac{53}{100}$ below surface; but, allowing that the average of their cutting was 53 feet, and that they began 12 feet below surface, which is near half a foot in their favor in the whole depth, and near half a foot more where they began, but, say they began at the 13th foot, cutting which is lower than they did begin.

					yd's	cts	
13th	foot	118	feet wide by	66 ft is	287	at 18	$51 66
14th	"	116	"	"	282	" 19	53 58
15th	"	114	"	"	277	" 20	55 40
16th	"	112	"	"	273	" 21	57 33
17th	"	110	"	"	268	" 22	58 96
18th	"	108	"	"	263	" 23	60 49
19th	"	106	"	"	258	" 24	61 92
20th	"	104	"	"	253	" 25	63 25
21st	"	102	"	"	248	" 26	64 48
22d	"	100	"	"	243	" 27	65 61
23d	"	98	"	"	238	" 28	66 64
24th	"	96	"	"	233	" 29	67 57
25th	"	94	"	"	228	" 30	68 40
26th	"	92	"	"	224	" 31	69 44
27th	"	90	"	"	219	" 32	70 08
28th	"	88	"	"	214	" 33	70 62
29th	"	86	"	"	209	" 34	71 06
30th	"	84	"	"	204	" 35	71 40
31st	"	82	"	"	199	" 36	71 64
32nd	towing path	61	"	"	149	" 37	55 13
33rd	"	57	"	"	139	" 38	52 82
34th	"	53	"	"	129	" 39	50 31
35th	"	49	"	"	119	" 40	47 60
36th	"	45	"	"	110	" 41	45 10
37th	"	41	"	"	100	" 42	42 00
					5,366		$1,512 49

This is about the average depth of cutting that was done when the slips took place, and would make the amount to $28\frac{18}{100}$ cents per yard cost of cutting or excavating.

38th	foot	37	by 66	90	yards at	43	cts.
39th	"	33	" "	80	" "	44	"
40th	"	29	" "	70	" "	45	"
41st	"	25	" "	60	" "	46	"
42d	"	21	" "	50	" "	47	"
43d	"	17	" "	40	" "	48	"

I beg leave to state in evidence before this committee that in answering all the questions put to me by Mr. Merritt, Mr. Mackenzie, and this Honorable Committee, that I have endeavored to answer them as honestly and faithfully as I could have done had I stood before the Judge of the whole Earth; and in justice to myself and to this committee, and for the satisfaction of the community, who are anxiously waiting the event of the investigation now before this enlightened, and I may say truly patient and indulgent committee, I beg leave further to state that as some intimation has been given that I might during the work of the Deep Cut and Locks have sent large sums of money to the States from which I came, in drafts or otherwise; to which I can answer that when I came to Canada I was not owing a hundred dollars in the world, except a transaction relative to the Erie Canal transporting Company which I will explain in short. I had paid into that Company eleven thousand dollars—I found it a losing concern —I sold out to Keeler and Mather of Albany, for about three thousand dollars, on time; but they failed, and I never got a cent; the other owners ran the line until all the capital was spent, and got into law,

and I was prosecuted amongst the rest, and rather than defend the suit I, with the others, made a compromise; and about three years since I paid what I agreed to—to wit $600, but I never sent a hundred dollars to the States during the whole work, that I received of the Company, except for cattle, carts, feed for cattle, and other necessaries to carry on the work—and I can truly say that in all things relative to the important trust reposed in me by the Board of Canal Directors; and in all this vast work I have acted faithfully and honestly, as I expect to answer it to my God; and I can truly say that money would not hire me to go through another such a work; and having had an extensive acquaintance in the United States, and some little acquaintance in this Province, I think it cruel after having acted in the most faithful manner as a public servant, and done that which no other man would have done, it is unreasonable and cruel that my name should be cast out as evil, as it has been in the paper called "The Welland Canal." I beg of this committee to look for a moment and see under what circumstances I engaged in that vastly laborious and hazardous work of the Deep Cut; which was well nigh dead, dead; and its grave already dug, and its enemies passing the funeral ceremonies. Did I go then to supplant (as Mr. Mackenzie says) the worthy Messrs. Hovey and Ward and others, or did I go there to erect a machine, to try if possible to help the Company out of a dilemma which they had fallen into by being badly advised by some, and the combination of others, who thought it no harm to obtain a pretty round price of His Majesty's subjects. Did I eagerly seek to place myself in a situation where every man of sense must know I must incur the displeasure of my countrymen and my hitherto warm friends; one of which had invited me into the Province, assuring me that there was much money to be made;—I can answer no; I was drawn into it by one who has ever felt so deep an interest in the Welland Canal, that he would sacrifice his own interest, and that of his best friends, to promote the interests of the Canal; and was I in a situation to enter into a full and just calculation of the worth of that work; having never spent but a few days at that place?—No; had I been in full health I might have formed a different estimate; but lying on a sick bed, and every other day the ague and fever; and my well, or days between the ague, I made the calculation and proposition; and all Directors and former Contractors thought I had taken it far too low; but I fully believe had it not been for three circumstances which I could not foresee, I should have done it at the price contracted for, let alone the extra hardness of soil, these will I mention; I fully believe that I took out fifty thousand yards from the sides of the canal and roads that was not estimated to me; twenty thousand of which was only allowed, being the $5,000 charged in my account. I lost at least $100 per day for a hundred days in the first season, and 60 days in the last, over and above my calculation in the delay occasioned in watering teams, and six hundred men lying idle at the same time,—and lastly, in my calculation I allowed two days each month for wet weather, and the fact proved that we often lost 3 days in a week, and an average of 4 to 5 a month, the banks being a slippery clay, and expenses was not less than $800 per day.

But after all on examining the statements and calculations herewith presented, and what you will find, from the Engineer's calculation and statements, allowing the whole Deep Cut to have been worth, or cost, 25 cents per cubic yard, you will find that the contractors previous to 1827 have all received more than the work was worth; and that the other contractors or operators that worked fifty-five chains in 1827 and 1828, their work should have cost on an average 28 $\frac{13}{100}$ cents, and they have been paid, as appears from examining the Engineer's statement, herewith presented, 28 $\frac{30}{100}$, a little over the cost, and the seventy-seven chains finished by myself was worth, or amounted according to the same calculation of others 35 $\frac{13}{100}$ per cubic yard; and I have received in all the advances of thousands and tens of thousands, together with the charge for old shanties, ticks, and blankets, horses and oxen, long since dead and gone, together with $30,000 defalcation, as you will see from the book, and Mr. Barrett's and Keefer's statements not to exceed 34 cents per cubic yard; so that I am the only man but what has been over paid.

OLIVER PHELPS.

SATURDAY, *5th March*, 1836.

Committee met.

PRESENT,

JAMES EDWARD SMALL, Esq., *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Shaver,—6.

Mr. AMOS NORTON, *called in and examined.*

[BY MR. MACKENZIE.]

304. You are an iron founder and builder of steam engines in this city?—I am, but do not style myself an engineer.

305. Did you build the engine of the *Sir Walter Scott Steamer*, and if yea, do you consider that the Sir Walter or her engine was suitable for a Dredging machine to the Welland Canal Company?—I furnished the engine for the Sir Walter Scott, and erected it on board the boat.—As respects Dredging Machines, I do not consider myself a judge.

306. Was you staying sometime at Dunnville lately?—I was there at the time I was putting up the engine last spring.

307. Had you any conversation with Mr. Cyrus Rose, the canal superintendant and contractor, relative to the canal: and if yea, state what it was?—I had conversation with Mr. Rose, he was building the Berm Embankment, and I understood he was the superintendant.—The most of his conversation was respecting the Berm Embankment, he said, that in order to make the best job he could of it, he was in a habit of putting in both logs and stumps—he rolled in nearly all he could conveniently cover up with earth, that is all lying handy by the work—this took place in the summer of 1834.—I was there again in December following, he then remarked to me, he had made money by the job he had finished, he cleared something like one dollar a day clear profit on every man he had employed on the job, he also informed me that he had taken another large job in

company with Mr. Thomas Merritt, I enquired if Mr. Merritt was coming there to assist him, he replied that Mr. Merritt was at Gravelly Bay—he said he did not expect much personal assistance from his partner, that that was not his object in going into company with him, it was that he thought he would obtain better measurement, and that he could do better by dividing the profits than to take the job on his own account, as he considered Mr. Merritt more of a favorite than himself, and remarked that the principal profit on those jobs was by extra measurement —I further enquired of him (Rose) whether he was going to take any job in widening the canal, he said no, as it would be nothing gained by measurement— that was the principal of the conversation on that subject.

308. Did Mr. Rose distinctly give you to understand what he meant by extra measurement in this contract in which he was concerned with Thomas Merritt, Junr. ?—I suppose he meant that they would not be nice or particular—I understood that by his taking Merritt as a partner, he would be allowed really more than it actually was.

309. Did they place any log heaps in the embankment or Berm bank made by Thomas Merritt, Jun., near Dunnville ?—There was a great many logs and stumps put in, to my certain knowledge.

[By Mr. Merritt.]

310. What value did you place on the engine of the Sir Walter Scott ?—I sold it to the company for a steamboat, and was to put it up on board the same for £500 cash, and £100 stock in the boat.

311. What was the cost of that boat ?—I believe the contractor told me he was to have £300.

312. Do you consider the engine of sufficient power to propel a Dredging Machine, and in case the boats were made stiff and substantial, and in case the scrapers and apparatus was furnished, do you think it could be applied to that purpose ?—I am not sufficiently acquainted with Dredging Machines to give a positive answer. So far as I do know, the engine might be applied as well as all other engines for a Dredging Machine. The engine I considered strong and good for one of its power. I think it would well work 20 horse power. Some engineers would call it more. Although the man had a certain sum for building the boat, it turned out not to answer a very good purpose. The engineer, John Dew, that I took up with me to put up the engine, advised me not to attempt to put the engine on board that boat, as he thought the boat was poorly built and drew too much water. It *might* be made to answer as a Dredge, but I cannot say.

313. You say Rose was a superintendant to the Canal Company; how did you acquire or from whom did you acquire that information ?—I consider he was working on his own job.

314. Where was the job situated to which you allude that Rose had contracted for in the summer of 1834 ?—I believe it was both above and below the Guard Lock, near Dunnville.

315. Where was the job situated that Rose had taken with Thomas Merritt ?—I saw him at work between Dunnville and Broad Creek, and I supposed there was his job. He mentioned it was to be taken down 3 or 4 miles or more.

316. Was it above or below Cranberry Creek ?—I do not know where Cranberry Creek is, but I know the country was flooded some distance above Broad Creek.

317. Are you certain that the conversation you alluded to with Rose, applied to the job of Thomas Merritt, that he (Rose) was then prosecuting with him, on which he expected this additional measurement ?—I do not know of his having any other job at that time, and therefore considered that that was the job.

318. If he expected to get an additional measurement, from whom was this additional measurement obtained ?—I do not recollect he gave any explanation about it. I supposed it to be from the person who either measured the work or paid him.

319. Was any other persons present at the time this conversation took place ?—I think there was. At one time Mr. John Leys was present; he was frequently present at Mrs. M'Keever's, where we all boarded.

What time in December was the conversation ?—I think in the fore part of that month.

[Witness withdrew.]

Mr Mackenzie *again called and further examined.*

[By Committee.]

321. In your 7th charge you say that the charges for casual expenses are in many cases improper; and that some of them are such as no board should have audited, nor any gentleman preferred. What items in the Contingent Accounts do you object to ?—If I were to state all the items to which I object, my reply would form of itself a voluminous document. I will therefore give but a few specimens. The oldest of them is from a contingent account of Mr. Merritt's, which the officers will now produce to you as it passed the Board.

[The officers of the Company here handed in the following memorandum :]

Memorandum *of* Expenditures *commencing Thursday, 3rd February, 1825, for the Welland Canal Company.*

Feb'y, 3,	Expenses on road to York with a horse,	1	0	0
4,	Mem. book, 1s 6d, gloves, 1s 7d½	0	3	1½
5,	Lunch at house with Mr. Clowes,	0	1	3
6,	Snack, 7d½, paid Mercer 18s,	0	0	7½
7,	Play, 3s 9d, Clowes' bill, 23s,	1	6	9
8,	Snack, 1s 3d, barber, 7d½, messenger, 1s 3d,	0	3	1½
9,	Paper, 1s 10d½, postage, 7d½,	0	2	6
10,	Beer, &c. at Parliament House,	0	1	3
11,	Paid Schoffield's bill,	2	2	6
"	Carrying trunk, 1s 3d, servants, 1s 3d,	0	2	6
12,	Repairing my watch,	0	7	6
	Segars and snack,	0	1	3

Feb'y,					April				
14,	Sunday,				14,	Lunch, beer, &c. at house,	0	5	0
15,	Club for gin, 3s 1½d, do. segars 1s	0	4	1½	"	Play, 3s 9d, washing, 3s 9d,	0	7	6
"	Cutting hair and shaving,	0	1	3	15,	Hay's bill board,	2	16	8½
16,	Lunch at Parliament House,	0	1	3	"	Proportion wine, 16s, gin, 4s,	0	10	0
17,	Beer for self and members,	0	1	3	"	Mending (Mrs. Hay's,)	0	2	6
18, 19 & 20,	Lunch and beer each day,	0	7	6	"	Gave servants,	0	2	6
"	Segars, 1s 3d, club for gin, 1s 3d	0	2	6	"	Left Mr. King to pay Fothergill for subscription,	1	5	0
21,	Club for wine,	0	6	3	"	Gave Mrs. Palmer,	0	5	0
	Play, 3s 9d, washing bill, 7s 6d	0	11	3	"	Large size paper to Mr. Boulton,	0	1	3
22,	Sunday,				"	Breakfast at Union,	0	1	3
26,	5 days snack at house and beer,	0	13	0	"	Carrying trunks,	0	1	3
"	Biscuit, apples, &c.,	0	2	0	16,	Passage in Boat,	0	10	0
"	My proportion of wine, 11s 3d, Gin, 2s 6d,	0	13	9	"	Proportion of wine,	0	2	6
"	2 h'kfs, 5s, setting razor, 1s,	0	6	0	"	Breakfast at Niagara,	0	1	3
"	Segars 9d, subsc'n for Church 10s	0	10	9	"	Brown, 1s3d, Eliot for boots, 1s3d	0	2	6
"	Supper of oysters,	0	2	6	"	Repairing hat,	0	1	3
27,	Snack and beer, 1s 3d, paid barber, 1s 3d,	0	2	6	18,	Paid S. Swayney,	0	1	3
28,	Snuff, 1s 3d, gin club, 3s 9d,	0	5	0	"	Paid for self & Mr. Keefer & v. n.	0	5	0
29,	Beer at house, 7½d, wine, 11s 3d, segars, 5s,	0	16	10½	"	Buchanan's letter, Albany,	0	1	7½
30,	Sunday,				"	Paid Vanatta for sewing hat,	0	1	10½
Mar. 5,	Same routine this week including snack for two, 1s 3d,	0	8	9	"	Goodfellow, 1s 10½d, Loper, 2s 6d	0	3	9
"	Club of wine, 10s, gin, 3s,	0	13	0	20,	Paid for Brat for do.	0	5	0
6,	Sunday,				May 6,	Paid Mrs. Rogers' bill for self, man and horses,	0	7	6
12,	Lunch and beer as usual,	0	8	9	"	Wagon hire down,	0	3	9
"	Paid messenger,	0	1	3	"	Ferry,	0	0	7½
"	Club of wine, 10s, gin, 1s 3d, segars, 2s 6d,	0	13	9	"	Supper, 3s, punch, 1s,	0	2	6
13,	Sunday, poor,	0	1	3		£	44	15	9½
19,	Same routine,	0	8	9			$	cts.	
"	Pemberton, 5s, play, 11s 3d,	0	16	3	"	Horse hire to Cambria,	1	00	
"	Messenger, 1s 3d,	0	1	3	7,	Stage fare to Rochester,	3	25	
20,	Sunday,					Barber, 6d, B. D. & L. 9d,	1	18	
21,	Club last week, 10s, gin, 3s,	0	13	0		Beer, punch, &c.	0	50	
"	Spirits at house (sick,)	0	1	3		Servant for baggage,	0	25	
"	Beer, snack, &c.,	0	3	9	8,	Stage fare to Palmyra,	2	00	
24,	Hay's bill,	10	2	11½	"	Gin, &c. for drivers all night,	0	25	
"	Washing bill,	0	17	6	"	Breakfast,	0	37½	
"	Beer, &c. &c. 1s 3d, segars, 2s 6d	0	3	9	"	Carrying baggage to boat,	0	25	
26,	Postage of letter from Quebec,	0	7	6	"	Passage to Syracuse,	4	00	
	Beer, lunch, &c.	0	2	6	"	Bottle cider, 25 cts. segars 12½,	0	37½	
	Club of gin and segars,	0	5	0	"	Waiter, 25, barber, 6,	0	30	
	Wine, 13s 4d, messengers, 2s 6d	0	15	10	9,	Passage to Bridgewater,	3	00	
	Servants James, 5s, host, 2s 6d, maid, 5s,	0	12	6	"	Breakfast, dinner and supper,	1	12½	
27,	Sunday,				"	Gin, &c. for driver,	0	25	
28,	Hay's for board to date,	0	17	6	10,	Bed, breakfast, dinner,	0	75	
"	Shoemaker, 3s 9d, beer, &c. 2s 6d	0	6	3	"	Extras,	0	25	
"	Horse hire,	0	5	0	"	Stage fare to Albany,	3	00	
	Breakage of sleigh,	0	10	0	11,	Supper, bed and beer in Albany,	0	70	
	Hollister's bill keeping horse,	1	10	0	"	Servant,	0	25	
29,	Passage to Niagara,	0	10	0	"	Stage fare to Pultney,	4	00	
	Wharfage and freight, &c.,	0	6	0	"	Gin punch and waiter,	0	25	
	Mrs. Rogers' bill,	0	5	0	12,	Stage to Middleton,	1	50	
	Wagon, 2s 6d, George, 1s 3d, dinner, 3s 3d,	0	7	0	"	Breakfast, dinner and supper,	1	12½	
	Segars, 7½d, postage, 1s 7½d, N.Y.	0	2	3	"	Extras,	0	25	
	1 quire paper,	0	1	10½	"	Stage to Burlington,	1	50	
Ap'l 4,	Paid bill at Niagara,	0	10	0	"	Breafast, din. & sup. 9s, extras 25c	1	37½	
"	Passage to York,	0	11	3	13,	Stage to Swanton,	2	25	
"	Bottle Port wine,	0	5	0	"	Stage to St. John,	3	00	
"	Paid Doctor for attendance,	0	10	0	"	Breakfast, dinner and supper,	1	12½	
6,	Paid messenger,	0	1	3	"	Extras on route,	0	25	
"	Quills,	0	0	7½	"	Ferry, 4d, barber, 5d,	0	15	
9,	Proportion wine,	0	6	0	14,	Stage to Lapraire,	1	25	
"	Lunch, beer, &c. at house,	0	5	0	"	Breakfast, &c. at do.,	0	37½	
					"	Passage to Montreal,	0	25	
					"	Orange and punch,	0	25	
					"	Porter to boat,	0	12½	

May			$	cts.
14	Porter to Exchange,		0	25
		$	41	92
		Currency, £	55 5	6½
16,	Horse to Mr. McGill,		0 5	0
"	Gave man for letter,		0 1	0
"	Soup on 15th at M. H.,		0 1	3
"	Glass punch,		0 0	9
17,	Segars 6d, oranges, &c. 2s,		0 2	6
18,	Medicine 1s 3d, cravat 2s 6d,		0 3	9
"	Pocket handkerchief, cost		0 3	6
"	Lemonade 1s 3d, paper 2s 6d,		0 3	9
20,	Repairing chain, cost		0 7	6
"	Paid Goodenough's bill,		4 5	0
"	Gave waiters,		0 3	0
21,	Expenses on board boat,		0 7	6
"	Glass punch on shore,		0 0	7½
"	Passage, &c.		1 8	0
22,	Paid for ———		0 2	6
"	Porter 7½d, servant 1s 3d,		0 1	10½
"	Mahoit's bill,		0 16	0
"	His porter paid twice,		0 0	6
"	Barber cutting hair and shaving,		0 1	6
"	P'd messenger to go to Exchange		0 1	0
24,	To do. for errands, letters, &c.		0 1	0
25,	Carrying papers to meeting and back,		0 2	6
"	Paid for two Tapes,		1 14	0
28,	Passage to Montreal,		2 0	0
"	Stewards bill,		0 3	6
"	Barber 3d, oranges 6d,		0 0	9
"	Difference in Exchange for $200		0 15	0
29,	Goodenough's bill,		0 15	9
"	Servants and porter,		0 2	6
"	Ferry to Longueil,		0 2	6
"	Calash to Chambley,		0 8	6
"	Breakfast,		0 1	6
"	Extras,		0 2	0
"	Calash to St. John,		0 7	6
"	Gave boy,		0 1	3
30,	Bed and breakfast,		0 3	5
"	Gave porter,		0 1	0
"	Passage to Whitehall,		1 10	0
"	Stewards bill,		0 8	0
"	Boots,		0 0	6
"	Breakfast at Whitehall,		0 1	10½
"	Fare to Troy,		1 0	0
"	Porter,		0 0	7½
"	Punch, &c.		0 1	3
		£	74 7	1
			$	cts.
31,	Titus bill at Troy,		1	25
"	Stage to Albany:		0	32½
"	Soda water 12½, extras 50,		0	62½
	Dinner at Skinner's,		0	50
	Porter,		0	25
June 1,	Steam Boat to N. Y.,		4	00
"	Port Wine Extras,		1	00
2,	Breakfast, dinner, supper & bed,		1	00

June			$	cts.
2,	Extras, during day,		0	75
"	Shoes and socks,		1	56
3,	Board, $1—extras, $1,		2	00
4,	Do do		2	00
"	Oyster supper,		0	50
5,	Passage to Albany,		4	00
"	Extras,		0	50
"	Left a pair of boots,		6	00
6,	Stage to Bridgewater		3	75
	Church 6, extras, 25,		0	30
	Skinner's bill,		1	25
	Punch, &c. during day,		0	25
	Breakfast, dinner, supper & bed,		1	25
	Barber omitted,		0	50
7,	Wagon to Utica,		2	00
"	Extras this day,		0	50
8,	Extras with some friends,		1	00
9,	Passage to Rochester,		7	00
"	Extras at Syracuse,		0	50
	Wagon to overtake boat,		1	00
10,	Barber,		0	12½
"	Breakfast, 2s 6d, extra, 50 cents		0	75
"	Porter,		0	25
	Fare to Lockport,		2	87½
	Steward's bill,		0	94
	Club of wine,		1	75
11,	Fare to Tonewanty,		2	00
	Gold breast pin lost,		0	00
	Extras on road,		0	75
	Fare to Manchester,		1	00
	Boots yesterday,		0	25
	Trunk, &c., to Forsyth's,		0	50
	Ferry,		0	25
	Punch, &c.,		0	25
	Wagon to Lundy's Lane,		0	50
	Dinner and supper,		0	62½
	Wagon, home,		1	50
	Map for Company,		7	00
	Minor charges omitted,		5	00
		$	27	19
15,	*Currency*, £		92 11	1
	Paid William for finding boat,		0 1	3
	" at Beaver Dams,		0 2	6
	Hands at Pond,		0 2	6
	For boat attending contracts,		0 5	0
	Upper's acc't.,		0 2	6
	Brown & Swayzee, seeing Carrol's farm,		0 5	0
July 7,	Wm. Bell, at meeting, May,		0 7	6
	At Falls, to see Mr. Street,		0 5	0
	North for box,		0 2	6
	Judge Wilkinson, for surveying harbor,		3 15	0
	North for box, 7s 6d—John Yale, 6s 10½d,		0 14	4½
		£	98 14	2½
	By cash,		100 0	0

Received from James Gorden, Esq., Treasurer of the Welland Canal Company, the sum of One Hundred Pounds Currency, on account of Expenditures made on behalf of the said Company.

WM. HAMILTON MERRITT,
Agent W. C. C.

St. Catharines, 4th May, 1825.

Mr. Merritt's account of Expenses, £ 98 14 2
By Cash, - - - - 100 0 0

Balance due the Company, - - £ 1 15 10

Approved,

H. J. BOULTON,
V. President W. C. C.

Mr, Boulton's contingent account of £300 Sterling, is another similar specimen.—The bill from Wares' last year, of bottled Port and Madeira for the Board is another.—The greater part of the expenditure of £203 of contingent charges when Vollars' vessel was dragged through the canal, between Nov. 1828 and 4th of December, is another—There is wine and whiskey, and spirits, and beef tongues, and dinners and poultry, and a sum paid for damage done to twenty flags borrowed from Sir John Colborne for an occasion in which the people were to be deceived by show.

A charge for the use of Love Newlove's Horse and the loss of his saddle by Sir John Colborne, when Chief Justice Robinson and Mr. Merritt brought him over to view the work is equally reprehensible. The following extract from the Chief's letter to Mr. Merritt shews that Sir John was considered a puppet which they could move as they pleased—£25 are charged as paid from the Company's funds to Newlove for the loss of the saddle by Sir John and the use of the horse—and at this time the Company were bankrupt and Sir John in the receipt of £5000 a year of public money to keep him in horses and saddles.

The following is the extract from Chief Justice Robinson's letter, about bringing over Sir John Colborne, whenever Mr. Merritt would be ready for him:

May 31*st*, 1829.

WM. H. MERRITT, ESQUIRE,

MY DEAR SIR:

I know you have been most anxiously waiting for my Report and the letter of Mr. Ellice. The latter might have been sent back to you at once but as you allude in it to the intended report, I kept the one till I could fulfil my promise in the other. I have been unusually harrassed and interrupted since I saw you, besides the necessity of preparing matters for a change in my duties which cannot be distant, and I could not persuade myself that I could take up the Report in the way I wished until Friday morning, when I put together that which I now send.—You may perhaps think I have gone unnecessarily into particulars, *but the work is now at a pinch.* Explanations are called for, and doing this now will save trouble hereafter. I have had several conversations with Sir John Colborne who expresses every readiness to concur with us. He came back yesterday from Penetanguishine. Let *me* know when *you* would *rather* see him at the Canal.—I hope Mr. Boulton will not have left you, so that you can shew him the Report.

I am, dear Sir,

Very respectfully Yours,

JOHN B. ROBINSON.

Four and one-sixth per cent said to have been paid at Toronto for a bill on New York to pay £1500 interest at Buffalo, is another curious contingency.—£500 to J. B. Yates as a douceur for getting a £50,000 bill discounted by the United States Bank with the debentures of Upper Canada as security, is another.—The £613, besides his salary, to Mr. Merritt for the deceptions practiced in his journey to England is another. The £500 douceur to him over and above his agency, in 1825 is another. And the contingencies of the Steamer Peacock, where the officers contrive to charge the Company with £90 or so for wood as contingencies and then collected the same sum again the second time from the Company as a part of £447,-10, of an alleged deficiency in the returns of the boat is another.—The £180,6 9 to Mr. J. B. Yates in 1831, from the loan by the public, for his packet boats, Chief Justice and Albion, which produced loss, expense and trouble, and soon after were sold to two of the Directors at auction for £5 15, and £6 5, as the price of both, is another. I might swell this answer, but there are other heads appropriate.

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322. Have you any thing to offer to this Committee in support of the allegations contained in your 30th charge?—Yes—*First*, Copy of my notice that I would caution the public. *Second*, Copy of my letter to Mr. Merritt last October, on the state of the monied concerns. *Third*, A certified copy of the resolution of the Board locking up the Canal Books and accounts. *Fourth*, My letter to the Board of Directors complaining of their proceedings of the 19th and 20th of November last—and, *lastly*, The resolutions of the Board adopting Mr. Burns' and Mr. Bowrey's report, and ordering all their proceedings with respect to my charges to be expunged and blotted out from their journal as being unworthy of a place in such records as are kept by the Welland Canal.

[*From the Correspondant & Advocate of the* 10th *Dec.*, 1835.]

WELLAND CANAL.

The undersigned has just been informed that the Welland Company are about to contract for repairs and improvements to the amount of 25,000 or 30,000 dollars to be executed this winter, and paid for by Copper Plate printed notes of from 5 to 50 dollars each, payable 12 months hence, with interest. This the majority of the Board of Directors intend doing because their funds are gone, and I am of opinion from what I have seen of their proceedings, that if their funds had been twice as much as they were, the persons who had them in charge would have contrived to get rid of them with the same facility. In 1833 they got in debt with every body and their due bills bearing interest were handed about the Niagara District and sold for goods at 20, 25 and 30 per cent discount. The President well knows the reason why additional funds are not now to be obtained, and that it is a very sufficient one. Yet the humbug of contracting at two prices, with chance pay and then making a merit of it, as in 1833, is to be repeated. Be it so. Had they been willing to wait the opening of the Legislature (which for aught I know to the contrary may assemble under a different administrator of the Government) I also would have done so. This is the first time I have written a line for the public concerning the Welland Canal since the Legislature appointed me one of its managers, and I was in hopes that the first report to which I would be a party concerning the affairs of that work would be left for the consideration of the House of Assembly, but in order that the people of Upper-Canada may see how matters stand (and they have a direct interest to the amount of a million of dollars) and in order that the other Stockholders and creditors of the institution throughout Europe and America may be prepared to advise the members of the Legislature and the government here for their interest, I will instantly put to the press and publish such a statement as must excite the indignation of every good man—leaving it to the peoples' representatives to judge whether or not the expense of publication ought to be defrayed by me or by the Country.

I wish this notice to be published once in the Correspondent, to be struck off this Evening.

(Signed) W. L. MACKENZIE.

York Street, Toronto,
December 9th 1835.

A REQUISITION FOR A SPECIAL BOARD.

[Copy.]

Welland Canal Office,
St. Catharines, October 21st, 1835.

SIR,

As a member of this Corporation, named by the Government Directors to examine its financial affairs, I inform you with deep regret, that false entries to the disadvantage of the shareholders and the public, to the amount of at least, *ten thousand dollars*,

are clearly to be seen on the books of account,—that fraudulent erasures have been made to the injury of the Corporation,—that a defalcation of many thousand dollars, on the part of the officers, is plain and evident,—that the entries in the books, in many cases, exhibit to me a systematic series of efforts to *cover dishonesty* and *embezzlement*—and that the confidential person who keeps the books, under the Secretary's superintendance, is absent, and it is believed drunk, a state not unusual to him.

Under these circumstances I respectfully request, that an immediate and extraordinary Board be called, so that the Directors in their collective capacity, may enquire into the charges herein preferred, and take such steps as shall appear to them expedient.

I have consulted with Mr. Thorburn, who suggests this course as a discreet one, and Mr. Clark the Secretary, is also desirous that it should be adopted.

It was my intention in the first instance to have taken steps for the apprehension of Mr. Beaton, the Clerk who made the entries in many of the cases I have alluded to, but it being Mr. Clark's opinion that the best course would be to leave all to an extraordinary Board, I will refrain from instituting any proceedings against him.

I further beg leave to suggest, that, besides the special messengers to convene the Board, a person may be sent to bring down Mr. George Keefer, junior, and Mr. Black; the latter of whom is implicated deeply, but may, I think, be able to shew, that the guilt laid to him ought to be charged on another.

I remain, very respectfully, your most
Obedient humble servant,
(Signed) W. L. MACKENZIE.

W. H. MERRITT, Esq. President,
Welland Canal, St. Catharines.

This is a correct copy of a letter delivered to W. H. Merritt, Esq. of this date.

(Signed) F. HALL.

Resolution agreed to at an Extraordinary Board of the Directors of the Welland Canal Company in Oct. 24th, 1835, present, the President and Messrs. Creighton, Thorburn, Butler, and Mackenzie.

Resolved, That whereas upon an examination of the books of account and official papers relative to the monied affairs of this Corporation by Mr. Mackenzie, a Member of this Board,—appointed by the Directors on the part of the Province to make such enquiry, with the concurrence of the Board of Directors, it appears to him that the financial affairs of this Corporation are in a state of great derangement, and that the books have been improperly tampered with.

And whereas, this Special Meeting was called by the President on the request of the Secretary and two Directors, for the express purpose of considering these charges; and, whereas, Mr. Mackenzie has, at great length stated the grounds on which he formed his judgment, and expressed his inability for the present to continue his investigation; and whereas there appears to this Board good and sufficient grounds for subjecting these matters to a full and speedy investigation, and of making such regulations as shall ensure a full report by competent and disinterested persons, and in the mean time secure the business of the Canal from interruption: It is ordered, that until the close of the navigation all monies due from the Company, shall be payable, only on Mr. Hall the Engineer's estimates approved by the Board, and that all monies due to the Company and outstanding, or which may become due shall be paid from henceforth only to Mr. Creighton the Treasurer of the Company, to be by him disbursed agreeably to the orders that may be made by the Board, on such estimates; that all the books of the Company, and also all the official papers of the Company, be sealed up immediately by the Board and placed in charge of a Committee, consisting of Ogden Creighton, Esq. the Treasurer, and Messrs. Thorburn and Butler, until the company shall, at the next meeting of the Board, appoint a proper person, or proper persons, to enquire into the condition of their financial affairs, and report what grounds there are for the charges Mr. Mackenzie has preferred.

And that it shall be the duty of the Treasurer and Secretary to give notices to the parties who may be affected by this Resolution, what this Board hath herein ordered; and to send a copy of this Resolution to each Member of the Board, requesting his attendance here at ten o'clock, on Thursday, the 19th November, the day on which this Board is to meet, agreeably to its Resolution at its last sitting.

[A true Copy.] Extracted from the Minutes of the Board, 24th October, 1835.

J. CLARK,
Sec'y, W. C. Co.

To the Board of Directors of the Welland Canal Company, assembled at St. Catharines, on Wednesday the 6th of January, 1836.

GENTLEMEN,

I have received since your last meeting a certified copy of its proceedings, a letter requiring a copy of certain statements made to the Board at its extra meeting in October, and a notice of your intended session to be held on the 6th of this month at St. Catharines.

If the experience of the past had given reason for a well founded expectation that any argument I could use if I were present, would be more likely to influence your proceedings advantageously in the question of affording the most full information to the Legislature on those important matters connected with the Canal which I have brought before the country in a way the most likely to excite attention, I would have attended, at whatever inconvenience to myself or others here, for I had promised to be present at the Toronto township meeting on Monday next, and the Newmarket general meeting on Wednesday next. But I am well aware that on that question what I have to urge, beyond what has been already said, will not be likely to avail, for I have not much that is new to offer.

As Dr. Duncombe's important mission has prevented him from attending your sittings, the duty of acting on behalf of the government, (which, representing the Province has a far greater interest in the canal, both direct and indirect, than the individual stockholders) devolves this year on Mr. Thornburn and myself. We have conjunctly and severally, done what we could to advance its interests, in connexion with those of the Province, and if the course which your late proceedings has compelled me to adopt be unpleasant to you or either of you, the blame be on him or them who shall in the end be found to have given the first offence.

My conduct has been that of a sincere friend to internal improvements, wisely planned and discreetly carried into execution. I was the early and steadfast friend of the Welland Canal, and when it stood most in want of support from abroad, my feeble voice was heard in its behalf, so much so that your president, Mr. Merritt, who had on the 11th of June, 1824, sent me back the first four numbers of the Advocate, with a very unfriendly note, congratulated me afterwards by letter, and admitted that I had proved myself well informed on the Canal question, and friendly to its interest. He says,

"New-York, 19th October, 1824.

"SIR:

"Since my arrival in this place, I have met with your "Treatise on the subject of Canals and the Welland in particular, "which in the main gives a liberal and correct view of the sub- "ject. Much of my time and attention for some years past has "been devoted to the real improvement of our Country, and al- "though there has been conflicting interests and much opposi- "tion, it gives me much satisfaction to find the public sentiment "is uniting in the most feasible, and only plan, under present "circumstances, of uniting those great waters."

Mr. Merritt concludes thus:

"I have requested the Editor of *the Albion* to send you a plan, "with remarks on the Canal, which I wish you to publish. In "the meantime you may state that I have succeeded in obtaining "the amount of stock we require, $50,000, in this city. It was "subscribed immediately. In haste (&c. &c. &c.)

WILLIAM HAMILTON MERRITT."

At that time I was an entire stranger to the directors, had no lands in the Niagara District, was connected with no local interest in it. I saw a grand project for the increase of the prosperity of the colony, and hesitated not to urge the Legislature to encourage it by a £25,000 grant. Capt. Gordon, Mr. Merritt's near relative and the early friend of the Canal, with others, shewed me that I was wrong as to the men who had the management, I consulted with Mr. Dunn, then the President, published Capt.

Gordon's opinions, and ceased to support canal appropriations.—Disagreeing with Mr. Randall on the course to be pursued in 1830, I used no influence to bias his opinion against the management, but, as Secretary to the Commission, did what I could to give effect to his wishes, a fact well known to your president.

My duty to my constituents, added to their strict and pointed instructions, guided my conduct in the House of Assembly, and while I censured the management, I sought the fullest information.

Often defeated on that object, and particularly so by the decisive vote of the House, on the 2d day of last session, I ceased to press enquiry, and it was through Messrs. Thorburn, Perry, and McMicking, of the canal committee, that the proposition that I should investigate its affairs was first made to me by Mr. Thorburn a few days before the House broke up. I liked the motion much, and so I would a similar one next year to obtain insight into the doings of the Upper Canada Bank. These are the circumstances under which I became an occasional inhabitant of St. Catharines last summer. The more I enquired into the management, the worse I liked it. At length matters came to a crisis, and you recorded on your minutes *that there were good and sufficient grounds for taking strong measures*, and a very strong measure you took too, in withdrawing the contents of the canal office from the President's care, circumscribing his authority, and sealing up the books and papers, so that those accused of mal-practices should not have access to them; this was your unanimous decision after a tiresome examination and two days' debate. What have been your subsequent proceedings?

1. You have (19th Nov'r) ordered contracts of magnitude to be entered into which you had no means to fulfil, although the experience of the past has proved the ruinous consequences of such a course. No one can now take such contracts, and afterwards tell the Legislature they did so in the dark.

2. You have (20th Nov'r) authorised the issuing of $25,000 of inland bills of exchange under seal, although you well knew that in the present state of your affairs, these bills would instantly depreciate in value, and afford the means of speculation to petty attornies and storekeepers at the cost of the working classes, whose interests you, who hold the rank of gentlemen and magistrates, are especially bound in honor to protect under this constitution. If the people take such bills after my warning, they do so with their eyes open.

3. You have (20th Nov'r) paid over $600 to Thomas Merritt, jun., notwithstanding the inequitous condition of his Berm Bank contract, unfulfilled, and the suspicious state of his other accounts, in which new errors are being continually brought to light; and this while others more deserving remain unpaid.

4. You have (19th Nov'r) authorised your President to grant himself and yourselves leases of the most valuable mill-sites on the canal, under the extraordinary circumstances detailed in my second number, and without waiting for that legislative action on the important question of the Hydraulics which the committee of last session, of which three of you were members, recommended and contemplated, and which was avowedly delayed owing to the paucity of that information by which the House of Assembly could be guided—this you did, in direct opposition to the Government Directors, although the indelicacy of the proceeding was explained to you, and the disposition of the Assembly to do what was right, fully admitted. Those connected with you or others in such leases now know that the Government Directors were opposed to these proceedings.

5. After granting the Gravelly Bay town plot to one of yourselves, and referring further steps in the matter to the Government Directors, you have, without waiting for their report, decided (19th Nov'r) to compensate Davidson for the loss of his property out of the Canal funds.

6. You have voted (19th Nov'r) approvingly of the conduct of your President in doing that which he admitted the stockholders wished him not to do—namely, to monopolize Mill-sites and lands on the Canal, while acting as its agent.

7. You have (20th Nov'r) allowed a large sum of money to be paid to George Keefer, junr., as Engineer, although the state of his estimates and other official papers, shewed the exceeding incorrectness and carelessness of his proceedings and justified a further enquiry into his accounts. What the other $2,800 are which you ordered to be paid, the minutes say not.

8. Although Mr. Clark, your Secretary, is deeply in arrears, and you had had no other opportunity of inspecting the books, than what was afforded on the days I last sat with you, you ordered (Nov'r 19) a private debt of Mr. Clark's to Mr. Taylor (the same who figures at the meeting at Dyer's) to the amount of £162 10s, *and interest*, to be paid out of the tolls, Mr. Merritt having been Mr. Clark's security for this debt, which, when borrowed, was not required by the Board for Canal purposes, and ought to have awaited the result of a Parliamentary investigation into Mr. Merritt, Mr. Beaton and Mr. Clark's manner of accounting and managing the Canal funds.

9. Instead of ordering the *Caroline* steam-boat speculation money to be instantly refunded, you voted (19th Nov'r) that the Welland canal Company are shareholders in the steamer *Caroline*, and that they own five shares. This I steadily opposed.

10. After packing up your books and papers into trunks and packages, carting them at noon-day through St. Catharines to the vault, and there sealing them up package by package, so that the President, Secretary, and Mr. Beaton, their clerk, might not be able to lay hands on them, you restored them after a lapse of three weeks, to the custody of the persons who had been accused by your own vote without any previous proof obtained from them that they were innocent of the charges which had induced you to take the remarkable proceeding of ordering a virtual suspension of their functions and chief trusts until a full enquiry had been made by disinterested and competent persons.

11. Although the Hon. Mr. Dunn had offered by letter which I enclosed to one of you, to take charge of all your books and papers until a full and fair investigation could be obtained, you neglected his proposition, admitted Messrs. Beaton, Clark and Merritt, to write in and make entries on the books as if nothing had happened, and disregarding the warning given by those erasures, false entries and omissions, the exhibition of some of which, had induced you to take a more manly and creditable course at first.

12. We sat as a Board on the 23d and 24th of October—heard all that Mr. Black could offer in his defence—all that President Merritt could urge or explain away—all that Mr. Clark could offer in vindication or extenuation; and then, *after this*, next day, we sealed up the books and papers—*after these persons had been severally heard at great length*. You all well know Mr. Beaton, the confidential person employed by Mr. Merritt and Mr. Clark to put the books into the state they then were, was so much intoxicated then, and had been so for some time, that he was not in a state to be brought forward, although we were all ready to hear whatever he could have said; that Mr. Clark said he could not explain fully till Beaton was able to attend; and that it was on the solemn pledge of Messrs. Clark and Merritt that they would be answerable for his appearance, that, after Mr. Merritt had opened his (Beaton's) desk and exhibited its contents, as also the Secretary's box, I consented to delay an application to a magistrate. Account then to the public, for it remains with you to do so, why you have given access to the books and papers to men your resolutions and proceedings declared unworthy of trust until fully tried, and who had done nothing to disprove the charges made against them.

13. And lastly. One of yourselves (Mr. Butler) a gentleman elected under Mr. Yates's proxies, seconded by Capt. Creighton, another gentleman appointed under the same influence, and who was one of the officers of the Company, liable to be affected as a Director and as the Treasurer, by the result of a fair enquiry, moved, that J. T. Bowry should "examine and compare the said charges with said books."

If, after the statements I made, you were still ignorant of the extent of the charges against the officers of the corporation, by what means has this Mr. Bowry been able to arrive at the conclusions contained in the resolutions adopted in Luther Dyer's tavern, that these officers are all honorable men? and I a calumniator? Or, if you perfectly recollected the extent of the charges I made in October, why ask me, in November, for a copy to refresh your memories? Although I desired to return by the 19th of November, your President said he knew I could not do it.

Your other examiner is Mr. R. E. Burns, of St. Catharines; he is it seems chosen by Mr. Clark and Mr. Merritt, who must have gained his good graces by loaning him £700 or $800 of the Company's money, unknown to the Board, and then collecting the interest with Beaton's help, who, as I shewed you, in Clark's petty leger, p. 118,—the cash journal, pages 312 and 315,—the memorandum book, p. 30,—and Clark and Beaton's cash book, p. 42, received the interest, placed it in the petty books, through which the managers account with one another, and conveniently left it out in the cash journal, although in the loans to two of yourselves, Messrs. Creighton and McDonell, (the particulars and correspondence relative to which, I shall try to find a place for in No. 4,) he curiously entered the interest in the cash journal the very last item before I left St. Catharines, when I had stated my intention to make a strict investigation. All these loans were illegal transactions, not having been recognized by the Board, as I shall take occasion to show.

X

This Mr. Burns is a person connected in a variety of ways with Mr. Merritt, Mr. Clark and Mr. McDonell, and the very antipodes of an independent examiner. Is he not also a Director of the Grand River Company, with Mr. Merritt?—Had he not a share of the $10,000 of the Yates Loan, in some shape or other? Who ever heard before that when a merchant found that his books had been unfaithfully kept, he employed the *professional* nominee of his clerks whose improprieties and carelessness contributed to the confusion, to examine and report whether there were frauds and embezzlements?—It is indeed a new thing.

Then as to Mr. Bowry—he is, if I remember him, a partner in trade or the late partner of Mr. Butler, who named him; now or late the lessee under the Company of Bowry & Butler's Mills; and a former employer of Beaton whose style of bookkeeping was so very convenient and suitable to the parties concerned in these transactions.

Whether the public will be of opinion that, in restoring the books to Messrs. Clark and Beaton, and in employing *so very disinterested auditors* as Messrs. Burns and Bowry, you have shewn a reasonable anxiety to discover error, rather than to give opportunities to cloak knavery, we will be better enabled to judge next month on the assembling of the Legislature.

As to the course I have taken, I warned you that I would do so if ye persisted. If we are to be inundated with a fraudulent circulation and depreciated paper in Upper Canada, as a remedy for wretchedness and ruin brought on by the misconduct of a few individuals, I shall not be a party to the hoax. If the Canal is to be a Bank, let us have paper that would be redeemable at its counter I had no time to wait for Governor Colborne's movements. Your course required a speedy warning to the public.—If I saw this city about to be set on fire by the torch of the incendiary, it is not very probable that I should delay informing the inhabitants of their danger, until an opportunity were afforded me to report officially to the Mayor and Corporation on the extent of an injury I might have prevented by crying "Fire!"

I would send you over a formidable list of notes with regard to your books of account, but really when I consider the position in which the parties implicated have been placed by your means, my impression is that I would be helping them to a loop-hole, by which to creep out of some of those profitable *errors* they may have forgotten in the midst of the multitude I met with. Had the canal papers been in less suspicious custody, I would have willingly given you either copy or originals of all the facts I possess, cheerfully, and without a moment's hesitation. But if you compare your Minutes with the Journal, and both with the Ledger and Receipts, I think you will see enough to disgust any man who has a claim to character. On the ill doer be the blame.

As one who has no personal interest in the Welland Canal except in common with all others of the King's subjects; as one who was and now is anxious that it should be honorably completed; as one who defended its management as long as he conscientiously could; and had no motive save an anxious wish to discover and state the truth in his late enquiries, the writer of this letter again calls upon the Board to take the only safe course that remains to its members, by instantly removing the office and all the papers to Toronto, here to remain during the winter. Here the investigation will take place; here the papers and the books, and the memoranda will be wanted; here the majority of the members of the Board will be resident; here it will be determined what is to be done with the canal. Any attempt to bring over this paper and withhold that, to have the great Ledger at Toronto and the petty Ledger at St. Catharines, will only be a continuation of the deception practised on the Committee and the House in 1830, when just as many papers were produced as suited the Agent, while the rest were—*at St. Catharines.*

Mr. Butler spoke with great good sense on this subject on the morning of the day when the books were sealed up; and it is very evident that either this course will have to be pursued, or the Board will be considered as shrinking from the investigation. Speeches will not do—we want the facts; and as Mr. Darling said, *disprove the charges if you can,* or allow the guilty to be punished. Honesty is fearless.

Another reason for this step is, that we may expect that the Lower Canada Stockholders will send up one of their best business men, to inspect the documents and books referred to in my numbers, and consult the Legislature for their interest. I have suggested this course to some of them and it were to be desired that the New Yorkers would do so likewise.

Twenty eight to thirty quires have been printed and circulated weekly at my cost—to every stockeolder of "the canal," to newspapers and banks and post offices and merchants, to M. P. P's. and Legislative Councillors—in short, to those classes of persons most likely to be affected or interested by the details. If you prove me wrong, you shall have the use of my direction book, so that the *bane* may be followed by the *antidote.*

In the "Welland Canal" of Wednesday, the greater part of my report on Mr. Robinson's transactions is correctly published. He was not entitled to the courtesy he met with at my hand, after withholding the accounts for years, and then sending over a schedule he could not well understand himself.

I intend to continue the "canal" weekly; the next number will issue on the 13th instant. The public attention is already directed very effectually to your proceedings, and the result cannot fail to be beneficial. Your Dyer meeting and resolves will give a whet to public curiosity, and in the end promote the object of the periodical, which is the diffusion of useful truths.

I am desirous to direct your attention to an abusive letter by your President, published in *The Patriot,* which we subscribe to as a Company. The Canal Office was certainly no place for depositing secret correspondence, nor did I meet with any in it.—Mr. Merritt cannot have forgotten that I insisted that the only desk in the office which was locked should be instantly opened, as a condition of my delaying any proceedings against Beaton till the Board met—that he consented—that it was opened, and also the Secretary's box—and that all such papers as Mr. Merritt *chose* to call *private* I declined to examine, while the rest were looked into and some notes taken of their contents. I think Mr. Hall was present. What is a private letter? I give you an extract from one of the numerous official documents in your counting house, which I caused the clerks to copy. Is that a private letter? It is signed by Mr. Robinson, one of the Commissioners.

"Mr. Fitzhugh writes me that he hears Bidwell, 'the King of "the Radicals' is already boasting that the Welland Canal and "St. Lawrence shall receive no further aid. I think nothing will "put down that party but their unvaried opposition to all public "improvements—this, if the people will permit any thing to *un-glue* their eyes, should be sufficien: to convince them of their "total disregard of the best interests of the country *while under "the present Government.* We shall have a stormy, useless "Session, I fear, but must do our best to get the necessary public "business attended to. What is your opinion as to the Speaker-"ship? I hope we can get McLean again or Morris, but fear "that Bidwell will be the man after all."

The above is addressed to Mr. President Merritt, dated Newmarket, the 2nd December, 1834, and with the others, proves to my satisfaction that politics are mixed up with the affairs of the Corporation, and the public property made subvervient to designs on the constitutional rights of the community. How far my report to the country will be likely to interfere with the worthy Commissioner's purpose of getting "any good thing" this year, under the "improvement" system I am not prepared to express an opinion. As to Mr. Dalton's letter, it speaks for itself, but if any thing had been wanting to explain its meaning, the author's journal would have afforded it. I think you will find that the Yates $10,000 loan *fund,* out of which Mr. Vice President McDonell's necessities were so bountifully relieved, was drawn on to help Mr. Dalton. There are many more evidences of your political proceedings; all of them from the canal office. Mr. Merritt's assertion that Mr. Dalton's letter was locked up in some secret place is utterly void of truth—it lay on the top of the desk where I had other papers arranged and under examination. It is a pity that Messrs. Dalton and Merritt, in their remarks, could not restrain themselves within the bounds of decent language.

Commissioned by you to Lower-Canada to support your petition by telling the whole truth to your brother shareholders there, it would have been perfectly correct for me to have allowed all the evidences of your proceedings to appear on the journals of the sister Province, nor would the select committee have desired to suppress any thing. There is no court of chancery here to enforce equitable proceedings for the shareholders—the Assembly is delayed to suit our rulers—and let us suppose a person to come over next winter to complain to the Legislature that being in ignorance of the state of your affairs, he and his neighbours had given good value for many thousands of dollars of your copper plate "promises to pay." which, like Hovey's judgment, were worth nothing after he got them—what excuse could be made by those who had winked at and even approved of your proceedings without warning that community of which they had been elected sentinels?

The sensible remarks and manly determination of Mr. Allan, one of your former vice presidents, on a similar occasion, when your circumstances were far less desperate, might now be referred to with advantages.

Is it not a very indelicate proceeding on your part to allow the individuals you yourselves have accused, to remain a single hour in possession of those archives of the Corporation you wrested

from their grasp? A proper respect for their own characters, if they felt themselves innocent, would surely have induced them to decline this very equivocal trust until after a disinterested tribunal had pronounced upon the important matters embraced in your October resolution, and the facts laid before you on which it was predicated—instead of which, I find that Messrs. Bowry and Burns are using Mr. Thorburn's name at their tavern night meetings, and declaring that he decided in my absence respecting the books, and was satisfied that I had been mistaken. I felt assured this was untrue, even before I had Mr. Thurburn's letter of the 29th ult. distinctly denying it.

I do not remember that it has happened to me to differ in opinion from Mr. Thorburn on any one question since we sat at the Board, except in the trivial matter of the remuneration of a balance of loss on a packet-boat speculation.

Consider this letter, and my numbers one, two and three, of "the Welland Canal," an answer *in part* to your request in the resolve conveyed to me by your Secretary. Mr. Burns, the Attorney has certified copies of the printed papers, and there is an erratum, "*second*" should have had the place of "*last*" in the foot-line of page one, column one, number 3, first edition.

No part of these remarks are addressed to Mr. Thorburn—neither he nor I can possibly influence your decision one way or the other—witness our ineffectual disposition to your scheme for disposing of the canal to the States, capitalists, and your hydraulic leases. But it is our duty to expostulate, nevertheless, just as Mr. McGillivray, who foresaw this day, ineffectually expostulated many years ago.

There is by far too much mystery in the proceedings of our corporate bodies. We have pretended balance sheets—secret proceedings—most romantic reports—directors with characters like the driven snow—stockholders like (Mr. Gordon) kept in the dark—and officers and their favorites highly respected and very respectable, who have made or mended their fortunes out of the management of bankrupt companies during a long career of meritorious uprightness—while to she stockholders is awarded a continual dividend of delusion. Thus matters continue until the thin veil of folly is penetrated by the uninitiated, when the unfortunate partners whom some wily Buchanan had decoyed into the snare, learn the unpleasant reality from the perusal of 1, 2, 3, "Welland Canal" newspaper, charitably distributed to them, gratis.

I remain, Sirs, Your obedient servant,
W. L. MACKENZIE.

Toronto, 1st January, 1836.

Extract from the minutes of the Welland Canal Company of the 6th January, 1836.

PRESENT,

Messieurs Merritt, *Prsident,*
Thorburn, and
Bulter.

Whereas, in consequence of the charges made by Mr. Mackenzie, the following resolution was passed the 19th November, 1835.

"It was proposed by Thomas Butler, Esq., and seconded by Ogden Creighton, Esq., Resolved, That J. T. Bowery, Esq., be authorised to examine and compare the said charges with said books on behalf of this company, together with all receipts and expenditures of all monies which have come into the possession of this corporation from time to time up to the 31st October inclusive, and that the Secretary, Mr. Clark, be requested to appoint another person to act in conjunction with Mr. Bowery, and that those two gentlemen do report the result of their examination to this Board, and that they shall have full power to examine all persons, books and papers in any way connected with the affairs of this corporation, which was accordingly ordered."

In compliance with which resolution the gentlemen named proceeded to examine the books and accounts, and have presented a report.

It is therefore ordered that this Board having read the said report, do acquit and discharge the officers of this company from the accusations set forth in Mr. M'Kenzie's letter addressed to the President of this Board, and that this Board can see no reason for withholding the confidence heretofore placed in those officers, and that all transactions relating to those charges be expunged from the minutes of this Board.

The annual report for the present year was submitted, amended, and approved of.

Ordered, That the following protest from Mr. Thorburn be entered on the minutes:—

I dissent from passing the resolution now offered to the Board by Captain Creighton, and passed. Likewise, from such parts of the annual report for the public as may have similar references, because there may be by the Legislature a further examination, and while there is such a probability it would be premature on this Board to pass such a resolution, and as Mr. Mackenzie making the accusations hath not been heard in defence of his views, it would therefore be in my opinion unjust till he is heard, and opportunity ought therefore to be given by furnishing him with a copy of the Report of Messrs. Bowery and Burns.

(Signed,) DAVID THORBURN.

Done at the Board,
this 7th January, 1836.

Mr. Thorburn moves that a copy of the Report of Messrs. Bowery and Burns, on the examination of the books and documents of this corporation, be sent to each member of the Board.

The following estimates and accounts were submitted and approved:—

The estimate from 5th to 31st August,	£904	6	4
The estimate from 1st Nov. to Jan'y, 1836	884	8	9
Contingencies	207	7	5½
Estimates to lock tenders	116	10	0
	£2,112	12	6½

323. What have you to state in relation to charge No. 24?—I will now shew that Mr. Yates virtually elects the Directors and Officers of the Canal, this I will do by reference to the election lists.

For instance—

At what is termed "a general meeting of the Stockholders" to elect directors, held on the 6th of April, 1829, at St. Catharines, it appears that three persons assembled themselves together, who were Mr. Keefer, the ex-president, Mr. Merritt, the agent, and Mr. J. B. Yates. These three possessed 8 votes in their own right, and Mr. Yates had other 96 proxy votes. The voting went on thus: Messrs. Receiver General Dunn, President; W. Allan, Chief Justice Robinson, Chief Justice Boulton, and G. Keefer were elected, by Yates's 96 proxy votes, his own three, and the five from Messrs. Merritt and Keefer. the latter voting for himself.

Again, last June, the election of Directors was thus conducted:

Seven voters were present; and of these J. B. Yates gave 61 votes, Ogden Creighton 17, W. H. Merritt 2, Thomas Butler 2, and Alex. Yates Mac-

Donell 2. Total 84. Mr. Yates selected a majority of the Board, as usual at his discretion; although he and his constituents in New York do not own a 10th of the value expended on the canal. Messieurs Geo. Davies and Geo. Keefer did not vote.

Mr. Dunn, the Receiver General, became the nominal President of the Company in 1825. I say nominal, for his duties as the Treasurer of Upper Canada and Legislative Councillor must have made it impossible for him to attend to the really important trust he had accepted on the canal. It appears to have been the policy of Mr. Yates or Mr. Merritt, or both, to connect the officers of the government with the canal by placing them in the nominal direction. And they chose those of them whose official duties left but little spare time on their hands. On the 23d of Sept. 1830, Mr. President Dunn thus addressed Mr. Merritt, the Agent, by a letter in which he evidently desires that economy should be strictly practised:—

"Is the Canal full? The Governor frequently "asks me the question. A vessel has arrived in "York from Buffalo, and (the master) gives a most "deplorable account of the Canal, says he was 17 "days getting through. Is this possible!! Pray "let me have a line from you, and afford some infor- "mation on the subject of the Canal. I certainly "have reason to complain that I am never made ac- "quainted, from the time we meet at St. Catharines, "till we assemble there again, of what may be going "on, &c. As to Mr. Black, his situation must be a "perfect sinecure. I am resolved to urge the Board "to curtail without delay all expenses which are not "absolutely indispensible."

The details of one or two elections were reported to the House by the Directors, on the part of the Province sometime since.

THE FIRST ELECTION OF DIRECTORS.

The first election under the Welland Canal Act was held in Niagara, May 15, 1834. A very few persons were present, not one of whom had a direct interest in the result, by a payment, and some of whom have never since paid a farthing towards the work. They elected Messrs. Hamilton Merritt, Dunn, Samuel Clowes, Keefer and Decow; and at the next meeting of the directors, they resolved to send Mr. Merritt to York to solicit Mr. Dunn to become their President, and to assure him "that it "would not be necessary for him to attend to the "concerns of the Company—only to sanction their "plan of operations from time to time." Mr. Dunn having declined to come into this arrangement, Mr. Geo. Keefer was named their President, and Messrs. Chauncey Beedle and Thomas Butler were named Directors in Messrs. Dunn and Clowes's place, the latter having declined to act. Next day Mr. Hamilton Merritt was appointed their "Agent and Managing Director;" and instead of the 10 per cent. required by the act to be paid as a first instalment on each share, they called in 2½ per cent. per share from other people, but paid nothing themselves.

In my examination of the Company's Books, I sought to ascertain what interest the first Board had in the prosperity of the canal, in consequence of stock subscriptions paid in by them.

The monied subscription clause to qualify the first Board of Directors was, in its practical operation, a farce, and proved that when a nominal cash qualification for managers is inserted in any act incorporating a joint stock company, unaccompanied by a provision for the immediate payment of the whole capital, it affords no safeguard to the public against speculators. The charter provided that ten shares qualified a candidate for the direction (since increased to twenty shares) and required ten per cent to be paid in; this, as I have already stated, the Board reduced to 2½ per cent. and the 1st instalment was called in on the 9th of June, 1824. None of the Directors, however, paid any money in until the 22d of November, when Mr President Keefer paid $25 in part of his $1000 subscribed; Mr. Merritt paid other $25; Mr. Butler paid $12½, Mr. Decow $12½, and Mr. Chauncey Beedle or Beetle nothing at all.—So that up to the 26th of March, 1825, the whole of the pecuniary interest held by the Canal Board in the Canal was £18 15s.; but on that day they paid other £31 5s. in the whole, as their 2d instalment, previous to which the New York Stockholders had been called on and had paid in their 1st, 2d, 3d and 4th instalments, of about $12,000. Then, but not till then, the wary Directors vested their additional £31 5s. in the work!

Geo. Keefer	9
W. H. Merritt	9
Thomas Merritt	7
Thomas Butler	7
John Powell	4
Adam Brown	7
J. Martindale	2
E. M'Bride	3
John Holme	2
A. Chrysler	2
Andrew Heron	1
John H. Dunn	9
H. Boulton	0
Mr. Justice Boulton	0
J. S. Baldwin	0
H. Dunn	0
Sam. Clowes	7
Alfred Hovey	7
James Smith	2
James Gordon	7
Chauncey Beedle	2
Wm. Chisholm	3
R. Reach	3
Lyman Parsons	2
Theo's. Brundage	2
Wal. Clendennon	2
Thos. M'Mahon	1
Amos M'Kennedy	1
John Wright	1
F. B. Cogsworth	2
John Wilkinson	1
William Saunderson	1
Gersham Wright	1
Morgan Crewson	1
Rufus Wright	1
Paul Shipman	2
Barnabas Gregory	1
John Decow	7

Hall Davis	2
Anthony Upper	2
Thaddeus Davis	4
Grant Vanderburg	1
J. Hayes	2
John Gibson	1
Mordaunt Chrysler	2
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At a meeting held at Niagara, the 15th May, at the house of Mrs. Rogers, pursuant to notice, the undermentioned persons were duly elected Directors of the Welland Canal Company—viz:

The Hon. J. H. Dunn, William H. Merritt, Esq., Geo. Keefer, Esq., Mr. John Decow, Mr. Samuel Clowes.

GEORGE KEEFER, *Chairman.*

At the same meeting, on the same day, Hon. J. H. Dunn was unanimously appointed President of said Company.

GEORGE KEEFER, *Chairman.*

CANAL MANAGEMENT.

In the early stages of the work, the Directors, who were chiefly officers of state, would go over to St. Catharines or Niagara for two or three hours, or a day, in the course of the year; sometimes they had the canal office at York,—sometimes at St. Catharines —sometimes they met at the Deep Cut, or in the Legislative Council Chamber, or at Mr. Keefers, or at the Falls of Niagara, or in the Bank of Upper Canada, &c. To their servants and agents the most important duties were evidently chiefly left to be performed, and as to the contractors they appear to have done as they pleased in not a few cases. Great irregularity prevailed in recording proceedings, and as to a check or false entries there was no efficient one; the minutes of May 26. 1827, are signed by no body, certified by nobody; for 8 or 10 months after the Board had sat, they were omitted to be copied into the regular Books, and at length were inserted between the minutes of February and April, of the year following.

The Directors shewed in other respects a great disregard for the law under which they acted. In their Journal, p. 55, (11th April, 1827,) all the Board being present, "on the motion of Colonel Wells, "seconded by Mr. D'Arcy Boulton, the Hon. John "H. Dunn was unanimously elected President, and "Henry J. Boulton, Esq., Vice-President." The Statute declares on the most explicit terms that these officers shall be elected by ballot, and to that law they had to come back at the election held in June last.

MR. LEYS *again called in and further examined.*

[BY MR. MACKENZIE.]

324. Was you residing for sometime at Dunnville in the spring or summer of 1834?—I was, in the spring of 1835.

(Mr. Norton's evidence of yesterday was read to witness.)

325. Mr. Norton thinks you were present at some of the conversations held at Mrs. M'Keever's in Dunnville, with Rose and others, contractors on the Welland Canal, relative to their management of contracts on that work, and hence refers to you in case you recollect the particulars of any of these conversations. State what you know of the subject?—I was boarding in the same house with Messrs. Norton and Rose; there were other people occasionally boarded in the House also. With respect to this Berm Bank, Rose stated that they were not particular, meaning the contractors, or the workmen doing the work, about putting in logs and stumps—then he said he did not think it made much difference—stated if he got his job done that season, he would have done very well by his contract—also stated that Mr. Thomas Merritt was in partnership with him in that contract, and that he did not think Mr. Merritt would be there much to assist him in the work, he would rather have him than be without him although he did not come at all. I have heard the same reason assigned in Dunnville, that Mr. Norton gave in his evidence why he should wish to be in partnership with Thomas Merritt, but I am not sure whether I heard it from Mr. Rose or not—viz: that he would get better measurement, and get easier through the contract.

326. Have you seen logs put into the Berm Embankment taken by Rose and Merritt?—I have not seen them put in, but I have seen them in log piles where this embankment was making. I was twice up and down between this place and Dunnville that Spring. The logs were rolled into the embankments, where the mud was put over them.

[BY MR. MERRITT.]

327. From whom did you hear that report at Dunnville—can you name any person?—I cannot name any one, it was in a boarding house where I heard it.

328. You are asked if you know anything about the conversation which took place between Mr. Norton and Rose; do you know that Mr. Thomas Merritt was a partner with Rose at that time, or did Rose say he was at the time Mr. Norton referred to?—I think Mr. Rose said that Mr. Merritt was in partnership with him at that time.

329. Mr. Norton refers distinctly to the summer and fall of 1834, is that the time to which you allude?—I think Mr. Norton is mistaken as to my being with him at the time he alludes. It was Mr. Dew that was with him in 1834. I went up with him in the spring of 1835.

330. Have you seen the work to which he alludes? I cannot say anything about the work done in 1834.

331. Where did you see the logs and stumps to which you allude as in the embankment?—Betwixt Marshville and Dunnville

332. Was it at the time you went up in the boat, or at different times?—I am confident I saw loss at different times.

[Witness withdrew.]

THURSDAY, 10*th March*, 1836.

Committee met,

PRESENT.

JAMES E. SMALL, ESQ., *Chairmrn.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn.—8.

MR. MACKENZIE *again called and further examined.*

[BY COMMITTEE.]

334. Your first, third, fourth, fifth and sixth charges against the managers of the Welland Canal Company's concerns are to the effect that the books of account are improperly kept, and with a view to defraud; that they contain many false and erroneous entries; that false accounts have been sworn to and presented to the House of Assembly; that important monied transactions of large amount have been withheld for years from the books of the Corporation; and that there is a great defalcation on the part of the officers in charge of the Company's funds. These five charges have relation to the financial management, and admit of one answer. The Committee are desirous to learn the particular facts on which you ground these charges of mismanagement?—The question of the intention of the officers or managers in charge of the affairs of the Welland Canal Company is to be judged and determined by a careful investigation of their acts, and it is probable the Committee will hold me justified in the opinion I have expressed if they find the several allegations contained in this answer fully proved. As to false entries I do not think it would be difficult to prove that a majority of all the entries on the books of the Company are of this description. It does not appear that the Company have kept a regular cash book or cash account, shewing the whole of the receipts from time to time, and the payments as they were made to each person. The absence of this indispensable requisite to a regular system of accounts has been seriously felt throughout this investigation. As to the Italian method of book keeping, so admirable in its results, it has not been followed so as to enable any accountant to balance the books. The estimates of work done, materials furnished, and labor performed, have been entered on the leger by a single entry direct from an estimate, the copy of an estimate, or an estimate book, and not by a double entry of debtor and creditor made on the journal from the original transaction. Day Book there is none, and as to concentrating the accounts in the leger under general heads of receipt and expenditure, it has not been adherred to. A casual inspection of the petty books will shew that they differed materially in their results from the regular books of account. The vouchers are so often missing, or of a doubtful character, that it is of little service to have reference to them.

THE GRAND RIVER DEFALCATION OF £579 12s. 3d.

About 10,000 acres of the lands of the Indians and others on the Grand River were overflowed by the dam raised across it to feed the Canal; the people who had thus lost their farms or other improvements, complained to the Parliament and to the Canal Company; and in 1831 Mr. Receiver General Dunn effected a loan from the Bank of Upper Canada of £1000 to £1500 for the express purpose of compensating these sufferers. In the hand-writing of Mr. Black, the Secretary, I found, on the Journal of 1831. December 18th, a payment of £572 10s. made to George Keefer the Engineer, from this fund, to enable him to make compensation in part.

It appears that of the loan, £1370 2s. 3d. were actually borrowed, the last draft on the bank being dated on the 9th of June, 1832, for the sum of £347 12s. 3d., "on account of claims," &c.—t is made payable to George Keefer or bearer, and signed by the Vice President and Mr. Black. Two days after dated I found the following entry on the Cash Journal, in Mr. Black's hand-writing:

" *June* 11, 1832.

" George Keefer, Junr. Dr. to Bank of Upper Canada.

" For the undermentioned payments made to the respective " persons on account of claims for damages, &c. viz: £347 12s. 3d.

" Shotwell, - - - - -	£ 1	5	0
" Philip Carl, - - - -	5	0	0
" Robt. Brown paid G. Keefer for	1 15	0	
" do paid Sheriff, - - -	44 12	3	
" Joseph Burges in full of £286			
" 11 3 and interest thereon on			
" which 200 has been paid	45	0	0
"* A Marr on account of his farm			
" purchased by the Company			
" for $1800 - - - - -	250	0	0
	£347	12	3"

"* This was payable only after he had signed the deeds.

Another entry on the cash Journal, is dated June 17th, 1833, page 238:

" George Keefer, Jun. account for claims,	Cr.
" Amount charged as remitted him 18th Dec.	
" 1831, - - - - -	£572 10 0
" But the actual amount paid to him was only	340 10 5
" Mr. Black having retained the sum of - -	£231 19 7
" which he paid to the Bank of Upper Ca-	
" nada for interest, being the items of £180	
" and £51 19 7 in entry of Nov. 1831—	
" See Journal fo. 134; See also J. Black's	
" Cash Book, 19, Nov. and 30 Dec. 1831.	
" For amount charged him 11th June 1832—	
" the same having been otherwise appro-	
" priated by J. Black for which see his	
" Cash Book 11th June 1832 and Journal	
" entry folio 200 - - - - -	347 12 3
"Error - - -	0 0 5
	" £579 12 3"

Finding Mr. Keefer credited in leger for £579 12s. 3d., and no other person or account charged, I examined the references, and immediately discovered:

1st. That the entry on the Journal of the 11th of June, 1832, by Black, was false; and that of course the return to the House of Assembly, Journals 1832-3, appendix folio 49, of the expenditure in payment of Grand River Claims was eqaully unworthy of credit, It is "Folio 336, George Keefer, G. R. C. £1370 2s. 3d.," and sworn to by John Clark, Esquire, the Secretary, before Chief Justice Robinson. His oath was, that "the accounts were just and true," which they were not.

2nd. That George Keefer never received £1370 2s. 3d. He got only £783 5s. 4d., and of that sum

nearly the whole is said to have been paid to the claimants. The balance of the loan was entered to his debit with a view to conceal the defalcation.

3d. The £250 to Alem Marr was never paid—the entry of the £347 12s. 3d. is a delusion.

4th. Black's entry of the 18th December, 1831, is false—he says he then paid Keefer £572 10s.—it is afterwards admitted in the Journal that he only paid him £340 10s. 5d.

5th. It is asserted in the entry of June 17th, 1833, that Black paid two items of Bank interest with the £231 19s. 7d. he had retained; this also is a false statement, for he elsewhere admits that he received the money to pay these items of interest from the United States Bank Loan, and so has he entered it. On a reference to Black's private or petty cash book, I find an entry admitting that the above entries by him on the Journal and leger are untrue.

Messrs. Clark and Black were perfectly cognizant of the defalcation, yet when I asked Mr. Clark to explain he could not do it. An express was sent to Mr. Black, who came from Port Colborne, where he now acts as principal collector of tolls, and Canal superintendent. He attended the extraordinary meeting of the directors held last October at St. Catharines, and when examined, he admttted that the entries on the Books were not genuine, but gave in an account which it appears he had handed to Mr. Clark when he (Black) left the Secretary ship in 1832, this he did in explanation. The account contained several items of monies which he had paid various persons, and other items of money still due—but it made matters worse, and led the way to the discovery of other improper practices. One of his items was £18 2s. 9d, to John Boyle. It turned out that Black had got the cash from the Bank to pay this sum to Boyle in September 1831—had kept it—and that in 1834, Boyle was paid out of the Canal funds with interest, while Black was allowed by his successors to retain the like amount.

[*See also the title, of "John Davidson."*]

I ought to state here, that in the paper Mr. Black left at the Canal office with Mr. Clark as his (Mr. Black's) explanation of his cash entries, copy of which I hereto append he states that of the money in default he had, besides the £121 12s. 8d. to Mr. Secretary Merritt, paid £55 11s. 3d. & other sums to Mr. Secretary Clark, & £74 2s. 6d. to Mr. M'Donell, one of the Directors; but in that paper he shews that he was Dr. to many other sums besides the Indian money. All this, however the Secretary swore to as having been expended on the Grand River Claims previons to December 1832, through Keefer, viz. £1370 2s. 3d.

The Act authorising the loan to the Welland Canal Company passed in March 1831 provides that a full, true, and particular account in detail shall be given to the Legislature, of the expenditure, and verified on oath before a Judge of the King's Bench Court. An account was so given and sworn to—but it was neither just nor true, and many of the particulars were such, as no man who had investigated what was attested could have safely vouched for on oath or otherwise. The Act requires that the President and Secretary shall swear that the said account is a just and true account of the expenditures of the said money; but although the then President, Mr. Dunn, assisted in framing the law, he never took an oath that the above £1370 were expended by George Keefer in 1831 and 1832 in payment of Grand River claims.

(Office Copy.)

York, 13th December, 1831.

Sir:

The Directors of the Welland Canal Company have requested me to apply to the Bank of Upper Canada for a loan of about £1000 to £1500 for the space of about twelve months for the purpose of enabling the Company to make averagements in settling damages done to various individuals on the Grand River. The claims made before the arbitrators appointed by the Legislature amount to a considerable sum, on which the arbitrators have not as yet made any decision. In the mean time the Directors have appointed an agent to make a compromise with as many of the claimants as are willing to accept of certain terms in consequence of which, claims to the amount of £1500 have been agreed upon for about £300, under the promise that the money shall be paid forthwith. The Welland Canal hold a very considerable sum granted by the Legislature at its last Session. The Directors feel unwilling to appropriate any part of this to the purpose above mentioned.

The Directors will feel obliged by granting them this request, which will enable them to effect so desirable an object.

I have the honor to be, Sir,
Your most obedient servant,
JOHN H. DUNN,
President W. C. Co.

The Hon. Wm. Allan,
President Bank of U. C

(Office Copy.)

Indian Office.

York, 5th December, 1832.

Sir:

With reference to several petitions from the Indians of the Six Nations respecting the destruction of their property on the Grand River; in consequence of the construction of a Dam by the Welland Canal Company, I am directed by His Excellency the Lieutenant Governor to ascertain from you whether any arrangement has been made for indemnifying the Cayugas and other tribes who may have lost their crops, and have been driven from their pasture land by the overflowing of the Grand River, and if those claims are to be settled, at what period they may expect to receive the amount due to them.

I have the honor to be,
Sir,
Your most ob't. humble serv't,
J. GIVINS,
Chief Superintendant Indian Affairs.

To the President of the
Directors of the Welland Canal.

Port Colborne,
THURSDAY NOON.

W. L. MACKENZIE, ESQ.

My Dear Sir:

I beg to acknowledge your favor of the 21st inst. just received—at the same time I received one from Mr. Clark requiring me to attend the Board at St. Catharines at 12 to-morrow.

The roads are very bad—but by going part way to-day. I will endeavor to be with you at the time appointed.

I am,
Sir,
Your most obed't,
JAS. BLACK.

True copy of a paper left in the Canal Office by Mr. Black, 23rd October, 1835.

J. CLARK.

JAMES BLACK,

Dr. *In account with the* WELLAND CANAL COMPANY.

Folio	2,	Silas St. John,			£	2	13	2	Folio	9,	M. Canute,	£	4 10 11
"	3,	Shotwell,				1	11	9	"	11,	Lewis Garrison and Co.		37 9 6
"	4,	Martindale,	£75	0	0				"	12,	D. Thompson,		0 1 0
		O. P.	25	19	2				"	22,	R. Davis,		1 10 8
		W. C. Company,	1	6	3				"	33,	W. H. Merritt,		121 12 8 1-2
			£102	5	5				"	35,	G. Macan,		1 9 8 1-2
			68	10	5				"	42,	Hibson and Gibbin,		20 19 8
						33	15	0	"	48,	N. Robb,		13 12 6
"	11,	Sanderson,				1	5	0	"	55,	A. McDonell,		74 2 6
"	12,	D. Thompson, D. bills,				166	11	0	"	58,	L. Newlove,		49 0 0
"	21,	John Boyle,				18	2	9	"	65,	H. B. Ostrum,		0 18 0 1-2
"	31,	Bailey and Rowen,				0	1	0	"	69,	W. Dealy,		20 0 0
"	40,	Calbreath—Sheriff,				13	7	6	"	79,	S. Sixsmith, (estimated)		17 11 3
"	"	Kirkpatrick,				15	17	6	"	80,	J. Clark,		55 11 3 1-2
"	42,	Gibbon and Hibson,				20	19	8	"	81,	Contingencies,		3 7 10 1-2
"	43,	W. Anderson,				9	15	0	"	83,	F. Galbreath,		71 15 3
"	44,	J. McCrory,				6	0	0	"	90,	J. Jackson,		3 15 0
"	70,	Wilson, Mitchell & Co.				5	0	0	"	122,	J. Orr,		25 0 0
"	75,	J. Burger, paid,				0	8	9	"	141,	W. Parke,		0 7 6
"	77,	T. Davis & Co.				1	8	10 1-2			Dittrick, £25 0 0		
"	96,	Wood and Cleveland,				5	0	0			Stockley, 1 5 0 } £41 14 10		
"	107,	J. Broderich, (due bill),				8	2	6			Cash, 40 9 10 }		
"	112,	Wendram, paid				9	18	0			£66 14 10		
"	113,	Harper,				2	0	0					
"	118,	J. Bacon, paid				1	0	0					
"	119,	A. Brian,				0	7	6					
"	124,	P. Conlin,				5	11	0					
"	130,	J. G. Stockley, paid				1	5	0					
"	131,	W. O'Brian,				2	16	6					
"	136,	P. Perry,				2	17	9					
"	137,	Northrup and Smith,				3	15	0					
"	143,	A. Marr,				250	0	0			By balance brought down,		66 14 10
						589	10	2 1-2					589 10 2 1-2
		George Keefer,				50	0	0			By Galbreath,		25 0 0
											Buck and Callaghan,		25 0 0
					£	639	10	2 1-2				£	639 10 2 1-2

W. H. MERRITT,
President W. C. C.

October 22nd, 1835.

Mr. W. H. MERRITT'S ACCOUNTS.

Of the Grand River and other moneys which are improperly charged as having been paid to George Keefer junior and others, it appears that Mr. Merritt had £121 12s. 8d. 1-2 in 1832, he being them, or soon after, the Secretary of the Company. On this the following order was given:—

Extract from the Minutes of the Board of Directors of the 2nd August, 1832.

Resolved, That Mr. Clark be authorized to appropriate the following sums out of the tolls collected this year, viz:—

"Ordered, That the advance made by the late Secretary to "Mr. Merritt, of £121 12s. 8d. 1-2, and this sum £28, "being £149 12s. 8d. 1-2, be debited Mr. Merritt on account "of his salary."

But it was not so debited to Mr. Merritt, nor is it debited to him up to this day. He had the money but was never charged with it.

Nor did the officers enter on the regular books of the Company until last December the toll accounts out of which this £149 12s. 8d. 1-2 was paid Mr. Merritt in 1832!

Again:

On comparing Mr. Merritt's credits for salary on the great leger under the head "salaries," I find that the sums of £150 —£40 11s. 6d.—and £11 5s. 7d.—in all £89 7s. 1d., are entered on the books as paid him for salary over and above any claim he had, and after the full amount of his salary had been paid or credited to him, from the year 1825 and upwards. Credit is taken by the officers for those payments as having been made out of the Company's funds. Although then Mr. Merritt was paid £238 19s. 9d. 1-2 in 1832, for which he has given no value, and for which he is a defaulter, he charges interest in 1833 on arrears of the salary he had already been paid, and has been allowed it.

On consulting the minutes after Mr. Dunn ceased to be President, I find that the officers have violated the law with regard to salaries and paid themselves what they thought fit under that head, until a late Board: Mr. Merritt had £400 as agent until the beginning of June 1833, when he was named the President and his salary ceased. The affairs of the Canal were that year in the hands of Messrs. Robinson, Macaulay, and Shade, for when the former was the agent at $35 per week, with superintendents under him at $21 per week, and as the Company were laid on the shelf there was no other agent. Mr. Merritt was not to be appointed the agent again, but at a meeting of the Board held on the 5th of February 1834 at Toronto, an offer was made of the vacant office, at £400 per annum to Mr. Robinson, which he declined. After which Mr. Merritt, the President, was appointed agent also at £400. They forgot it seems to enter their appointment on the minutes, but rectified the omission in June 1834, Mr. Merritt was at Toronto during that winter, officiating as a legislator to prevent the County of York from having a voice in the bill granting himself & brother Directors an other £50,000 of the public money, and although the order for his appointment and salary was only given in February 1834, the officers have entered on the books 36 days from the 1st of January up to the time when Mr. Robinson was offered the vacant office on the 5th of February, which is an overchange $157—and never came before any Board, nor could it have been sanctioned by the Board.

The following are the entries in the minutes:—

MINUTES 5TH JUNE 1834.

14.—"It appears that the minutes of a meeting held at Toronto stating that W. B. Robinson Esq. declined acting as agent for the Company, and granting the President £400 per annum was not regularly entered at the time.

"Ordered, That a record of the transaction be now made.

15.—Ordered, That the salary of the late agent be continued from the 6th June to the 13th July of the *past* year, his time being occupied in settling claims, attending arbitration, and the affairs of the Company generally for a much longer period."

There is also an entry of $30 as paid to Mr. Clark for salary, which is a part of the defalcations. It is entered November 1832, page 206 cash Journal. He is allowed his full salary from November 1831 when he entered the service as "book keeper" (although he never kept the book) until the present day. In 1833 he had $160 out of the Canal funds for keeping Mr. Robinson's accounts, over and above his regular salary for all that year. He was the agent, pro. tem. when Mr. Merritt was in England, and was allowed nine hundred dollars for the months in which Mr. Merritt was absent besides Mr. Merritt being allowed at the rate of $1600 for the same year, and other £600 to £700 for the trip.

ANOTHER £75 TO THOMAS MERRITT, JUNIOR.

When I was in St. Catharines towards the latter end of October last, I insisted with Mr. Clark who had just returned from Quebec or Montreal, that all the money paid to Thomas Merritt junior, on his pier contract as it is called, in 1832, out of the tolls, had not been charged to him, even if they were to charge the £50 of the erasure, and I asked Mr. Clark (before the Board) to give in a statement which he would be ready to stand to as correct of the payments he had made from that year's tolls, but he said he could not without the aid of Mr. Beaton, who was not to be obtained at that time. Beaton had previously given me the copy of a paper containing the particulars, and I annex it. I shewed it to Mr. Clark, but he would not say whether it was right or wrong, and the Company's books were silent. After I returned from Quebec I scarched among Mr. Randal's receipts and papers, which are with me as his executor, and found the annexed order of Mr. W. H. Merritt to Mr. Randal to pay $300 to Thomas Merritt junior, and also the copy of Mr. Randal's order. It was so paid, but never charged to Thomas Merritt junior—Last December only did they charge it to him on the Company's books, and he had been allowed *interest* on the pretended balance of his account for 1832-3 as a debt, until it was paid in 1834. This adds another $300 to the $200 and the $900, which would have been godsends to Thomas Merritt junior but for this searching enquiry. It may be said that the officers would have had to make up those accounts, but such is not the case, for they never kept their books by double entry—never balanced them except as a deception—and even now, after all the exposures of the press, they withhold a large amount of the transactions of the Company from the regular books, as the report of the accountants will hereafter shew.

YORK, 27*th Dec.* 1832.

(My Dear Sir)

I will thank you to give Thomas Merritt an order for $300 on your clerk on account of tolls—in payment of work on the harbor.

Truly yours,

WM. HAMILTON MERRITT.

YORK, 27th Dec. 1832.

COPY.

YORK, *Dec.* 27*th* 1832.

DEAR THADDEUS.

The agent of the Welland Canal Company has drawn on me in favor of Mr. Tnomas Merritt for the sum of three hundred dollars, —if you have as much after deducting your own pay please pay Mr. Thomas Merritt the sum of three hundred dollars, and charge the same to my account—you will please to take Mr. Thomas Merritt's receipt for what you pay to him.

And oblige,

Dear Thaddeus,

Yours,

ROBERT RANDAL.

Mr. THADDEUS SMITH,
Deputy Collector,
Welland Canal,
Chippawa Village.

THE TOLLS.

I have elsewhere stated that although the Board of Directors pretended to exibit to the public the actual balances between their receipts and expenditures from year to year, these balances were in a great degree fictitious, because they exhibited no real return of what had been received and laid out, but only such and so many items actual or imaginary as was suitable for the purpose of the parties making the exibition. It appears from investigation that the Directors never audited the toll accounts at all—never required a faithful account of the disposal of them, and of the cash received for forwarding goods in 1830 and 1831 to appear on the Company's books—but permitted Messrs. Merritt and Clark to manage matters just as they pleased. Mr. Clark again, being obliged to do so, I presume, allowed Mr. Beaton to make up the books (when my publication of the Welland Canal rendered it absolutely necessary by drawing public attention to the matter) in such a way as that if balanced and that balance not investigated and examined there would still appear something like accountability to the company. The Tolls of 1830 and 1831, and the forwarding of three years, produced, it is admitted, £3607 14s. 8 1-4, after deducting several hundred pounds (£389 2s. 10d.) from the return made to Parliament, the officers stating that they had returned nearly £400 too much by mistake. Until after I left St. Catharines last fall, very few of these accounts were entered on the books, and when they were entered (in December 1835 ! !) they were inperfectly and improperly entered—but the accountants employed by the committee have reversed and corrected the entries, after a careful and patient investigation, in which we several nights remained in the committee room till midnight inquiring into the details. The question was this:—£3607 had been received. What had become of it? Mr. Clark had sought a credit, as paid out of the moneys, or as tolls or forwarding debts entered on the books and originally accounted

for part of the gross receipts, but upwards of £1000 of the receipts had not been entered, even in December last, so that it became the duty of the accountants to charge the difference to cash, allowing Mr. Clark to place to the credit of cash all the items that he could shew that he had not taken credit for on the books already. The effect was, that after every thing he could ask was credited in this way, whether supported by vouchers or not, a defalcation appeared of upwards of a thousand dollars, for which, of course the officers are accountable and the Directors ought to be, seeing they allowed the accounts of their servants to go without investigation for a series of years while begging for money by £50,000 at a time from the province to the hindrance of other usetul improvements. Never was public money placed in worse hands.

But this is not all. The accountants assumed at their first balancing of the books all to be correct in the books as the entries were made, which was not the case. In the toll account in Journal page 326 and their appendix, they have found it necessary to make a change in the cash credit of £282 1s. 4d. after making Mr. Merritt Dr. to cash for the £149 12s. 8d. which the Board ordered him to be charged with in 1832 out of the tolls; which he received, but was not charged with until the accountants made him Dr. to cash for that amount a few days ago in their appendix to the Journal and great legers.

Mr. Clark (in the disbursements never placed on the regular books) charges about £700 as payments made to the schooners *Canadian* and *Prosperity*, one or both of which are understood to have belonged to Mr. Merritt the company's agent at that time. Mr. Clark, when requested to produce particular vouchers for the paying away of this large sum of money, admitted that he had none to produce. I perceive that the balance paid or said to be paid to the *Prosperity* is carried to Mr. Merritt's credit. We allowed these sums.

In Mr. Clark's account from page 36 book B, he appears to have improperly charged the company with £12 5s. in certain disbursements paid the late Robert Randall.

He also charges £12 9s. 3d. as paid to Kenneth Reach, in page 97 of book C. but gives no reason why, or for what that sum was so paid.

He also charges £57 16s. 3d. as allowances made by him for damage done to ashes carried on the Canal in 1831, and £21 7s. 10d., and £6 13s. 3d. for damage on Tobacco and paid to McMillan & Co., but neither shews an order of the next Canal Board after the alleged damage was done, nor of any Canal Board, since allowing these sums to be paid the parties, nor any vouchers to prove the transactions as they took place.

In a sum of £119 17s. 3d. charged as paid to Smith (book C. folio 95) £19 6s. 2d. are entered as paid the Secretary. This is not a voucher for a disbursement by the officer so as to entitle Mr. Clark to a credit.

In the toll account of 1830 Mr. Clark charges an item of $14 as paid for wood for the Peacock (c. 31). This is improperly charged by the Secretary in his final entry to close the Peacock's accounts. So the company are twice charged for what their officers but once paid.

In the new entries made by Mr. Beaton by the direction and with the approbation of the Board, last December, folio 328 of the cash Journal £38 15s. and £50 5s. 7d. 1-2, are debited to toll as return from toll on boats and store, but these sums do not appear to have been credited to toll, or to have made part of the gross receipts of the year from which it is attempted to deduct these amounts.

£11 0 6d. appears to debit of contingencies as having been paid from Canal funds for freight to the *Prosperity*, while Mr. Clark charges the company elsewhere with £333 11s. 6d. as freight paid her owners for the same year out of Canal funds.

STATEMENT OF MONIES PAID OUT OF TOLL FUNDS, 1832.

1832.		Advances to Contractors and others.	£	s.	d.	£	s.	d.
July	18	To George Keefer, Junr. - - - - -	250	0	0			
	12	" William Daly and Co. - - - - -	12	10	0			
		" Garrison and Little, - - - - - -	150	0	0			
	24	" Salmon and Fuller, - - - - - -	12	10	0			
	30	" Monson and Camp, - - - - - -	12	0	0			
August	2	" William Murray, - - - - - -	5	0	0			
	3	" James McEvoy, - - - - - -	10	0	0			
	4	" John Donaldson, - - - - - -	10	0	0			
		" Garrison and Little, - - - - - -	12	10	0			
		" Monson and Camp, - - - - - -	12	10	0			
		" James Darraugh, - - - - - -	6	5	0			
		" Schooner Britannia, for freights, 1831, - -	33	16	10½			
		" Prosperity, for do. - - -	11	0	0			
		" Geo. Smith, for wages, fm 24th April to 30th June,	33	10	0			
		" Love Newlove, - - - - - -	1	10	0			
		Carried forward. - - - £	573	1	10½			

STATEMENT OF MONIES PAID OUT OF TOLL FUNDS, 1832—*Continued.*

1832.		Advances to Contractors and others.	£	s.	d.	£	s.	d.
		Brought forward, - - £	573	1	10½			
August	4	To William Hamilton Merritt, - - - -	12	10	0			
		" Marshall Lewis, - - - - - -	10	0	0			
		" John Donaldson, - - - - - -	125	0	0			
		" Disbursement at Port Robinson, - - -	4	9	4			
		" Alexander McDonell, p. Randall, - - -	4	16	3			
September		" John Donaldson, - - - - - -	143	15	0			
		" Watkins' expenses to Buffalo, - - - -	1	15	0			
		" John Clark, - - - - - - - -	7	10	0			
		" Garrison—amount due bills, - - - -	1	0	0			
		" William Looney—mending augur, - - -	0	5	0			
		" James Callaghan, - - - - - -	5	0	0			
		" Thomas McGraw, - - - - - -	0	5	0			
		" Love Newlove, - - - - - -	12	10	0			
		" L. A. Constantine, - - - - - -	1	15	0			
		" Paid Leavenworth for Printing, - - -	5	10	0			
		" Robert Buchanan, - - - - - -	5	0	0			
		" Russel Armington, - - - - - -	0	11	10½			
		" John Vandeburgh, - - - - - -	1	15	0			
	5	" Love Newlove, - - - - - -	2	12	0			
	6	" John Atwood, - - - - - - -	1	0	0			
		" Thomas McGraw, - - - - - -	2	10	0			
		" Love Newlove, - - - - - -	1	3	7			
		" Garrison and Little, - - - - - -	3	12	10			
		" George Messmore, - - - - - -	2	10	0			
	17	" Craig and Boyle, - - - - - -	0	10	0			
		" Garrison and Little, - - - - - -	0	17	9			
		" Johnston Orr, - - - - - - -	1	10	0			
		" Marshall Lewis, - - - - - -	2	10	0			
		" Thomas McChesney, - - - - -	10	0	0			
		" Love Newlove, - - - - - -	37	10	0			
		" John Vanderburgh, - - - - - -	25	0	0			
		" Cyrus Rose, - - - - - - -	12	10	0			
		" Thomas Merritt, - - - - - -	75	0	0			
		" Richard Fluallan, - - - - - -	2	5	0			
		" R. Buchanan, - - - - - - -	6	11	3			
		" W. H. Merritt, - - - - - -	25	0	0			
		" William Bell—lock tender, - - -	6	0	0			
		" John Donaldson, p. Trevor Murray, - -	50	0	0			
		" Ditto S. and F. - - -	12	10	0			
		" W. H. Merritt, S. and F. - - - -	15	5	0			
		" Johnston Orr, - - - - - - -	2	10	0			
		" Love Newlove, - - - - - -	12	10	0			
		" Marshall Lewis, - - - - - -	12	10	0			
		" Hugh Quinn, - - - - - - -	3	0	0			
		" John Callaghan, - - - - - -	7	10	0			
		" Thomas Merritt, - - - - - -	75	0	0			
		" John Vanderburgh, - - - - - -	3	10	0			
		" Johnston Orr, - - - - - - -	2	16	3			
		" William Daily and Co. - - - - -	6	14	9			
		" Widow McAndress, - - - - - -	5	0	0			
		" W. H. Merritt, - - - - - -	3	15	0			
		" K. Reach—to account due bill held by him,	4	0	0			
		" William Bell, - - - - - - -	6	5	0			
		" Marshall Lewis, - - - - - -	10	0	0			
		" Love Newlove, - - - - - -	14	0	10			
		" Wm. Daily & Co. - - - - - -	10	0	0			
		Salaries to Collectors, - - - - -				1392	4	1
						264	15	0
		Carried forward, - - - -			£	1656	19	1

STATEMENT OF MONIES PAID OUT OF TOLL FUNDS, 1832—*Continued.*

1832.	Advances to Contractors and others.	£ s. d.	£ s. d.
	Carried forward, - - - - £	.....	1656 19 1
	Detention of Vessels in July, - - - -	.....	254 17 2
	Contingencies, - - - - - -	.....	23 10 2½
	Outstanding, - - - - - - - -	.....	468 17 3½
	£	.....	2404 3 8½
	Amount of Toll per Return, - - - -	.....	2432 7 8½
	Due by Mr. C. - - - - - -	.....	28 4 0
	Add to list of debts for Geo. Keefer, - -	.....	31 17 0½
	£	.....	3 13 2½

HYDRAULIC BALANCE.

There is an indenture of mortgage among the Canal Company's papers—Alexander McDonell to the Welland Canal Company—dated on the 4th day of April, 1833—it is signed by Mr. McDonell and witnessed by two persons, and one of its provisoes is that whenever (the Hydraulic Company) the said McDonell fail in paying the interest when due, the Canal Company may re-enter and re-possess the property sold to the said McDonell (as agent to the Hydraulic Company.) The mortgage is an informal document—the dates on which the principal and interest were payable being in blank? The original deed of the Welland Canal Company to the said McDonell bears date the 4th of August, 1831, and remains with the Hydraulic Company or Mr. McDonell its agent. The interest was to be payable to the Canal Company half yearly on the *blank* day of *blank*, so saith the mortgage! I find the first year's transactions of the Hydraulic Company on the Welland Canal Company's regular books, but in the 2ud year, that is, after the 1st of January, 1833, and until January, 1834, they do not so appear. The £1,500 of interest for that year, and the deduction of £500 therefrom by the members of the Hydraulic company controlling the proceedings of the Welland Canal Co'y. do not appear in the Great Leger, nor in the yearly sham balance, but are placed in a subsidiary book with the balance accruing at the time. Then there is an attempt in the subsidiary book to cancel the money due by the Hydraulic company by setting off against it the interest on certain imaginary bonds granted by the Welland Canal Company, but never sanctioned by the Legislature. This attempt to nett from £20,000 to £30,000 by the Hydraulic job is one of the most scandalous and intolerable features in the history of the Welland Canal. The balance on the first year's transactions, including Mr. McDonell's private account, was £21 7s. when taken out of the Company's books. Then there was £116 of interest, £1,500 for one year's use of principal, less deduction for water in 1833—£500.

MINUTES OF BOARD 26th November, 1833.

Ordered—That for the more secure keeping of the books during the absence of the President and Secretary attending their duties in Parliament, they be sent to the house of Wm. Hamilton Merritt, Esq., after the accounts are closed and balanced. The following sketch shews the ability of the Company to meet the payment of the debts due by them—

Hydraulic Company's bond,.....£	25,000 0 0
One year's interest,.....	1,500 0 0
£	26,500 0 0
Amount of debts due by the Company to the 1st November, (exclusive of claims not yet decided on by the Arbitrators).....	20,844 10 7 1-2
£	5,655 9 4 1-2

There was the undivided two-thirds of 36 3-4 acres of Oliver Phelps' lands near St. Catharines, conveyed by him to the Hydraulic Company—and recorded. The Hydraulic Company conveyed it to the Welland Canal Company as some small compensation for the desperate bargain the latter were making, but the matter stands over for adjustment.

Where is the Bond?

DEFALCATION THROUGH ORDERLY.

William Orderly was a Contractor on the Canal, and took a contract in 1831 which was concluded the year after. The estimates for his work, allowed by the Board, are entered in the Great Leger £551 15s. 3d, but the real amount was £4 11s. 2d. 1-2 more. The cash pretended to have been paid him in part of this credit of £556 6s. 5d. 1-2, is £689 5s. 3d, for he is settled with as a creditor of the Company in 1833, by a note or notes bearing interest £80 16s. 9d. The curious proceeding by which this pretended credit is accomplished is by making a balance of £137 10s. on the creditor side of his account, and omitting to carry it down to the debtor side—thereby making it count for an additional estimate to that amount! The petty cash book, and Orderly's accounts when settled with, shew plainly enough that this was no blind mistake. The officers must account for the £132 18s. 9d 1-2, and as to Orderly, I dare say he will shew, if sent for by the committee, that he does not owe one farthing, although he is set down as a debtor to the Company for £137 10s.

When vouchers were called for, the following, with a mark and with no witness, was produced, by which poor Orderly was made to declare by the virtue of his mark that he had received £135 8s. 7d. in full of an estimate of £125 0s. 7d.! Many other canal vouchers are *equally creditable* to the prudence and foresight of the Board of Directors and their officers!

(COPY.)

Welland Canal Office,
[1352.] *St. Catharines, July* 8, 1831.
£135 8s. 7d.

Received from the Secretary of the Welland Canal Company, the sum of one hundred and thirty-five pounds, eight shillings and seven pence currency, being in full of estimate (of) £125 0s. 7d.

(No Witness.)

his
WILLIAM × ORDERLY.
mark.

To be satisfied of the deception attending the pretended balance sheets sworn to and sent to the House of Assembly, from year to year, it is only necessary to compare them with such accounts as this of Orderly's for several years. Sometimes the expenditure will be omitted, sometimes stated far too much, sometimes far too little. In short their balance sheets were got up, and successfully too, to blind and deceive the public they were plundering. It would be a curious and instructive task to analyze

the balance sheets on the Assembly's Journals and compare them with the Company's books as revised. The more pretended payments they made the more these balance sheets swelled up, and they could as conveniently shew their receipts and expenditures without entering the whole of the tolls and proceeds of forwarding on their books as if they had been entered!

Yet the Directors vouched for all these proceedings, and up to January last declared that all was correct—and produced Messrs. Bowery and Burns to prove it—who said they had done so!

Mr. JOHN DONALDSON—CONTRACTOR.

The credit for work done to November, 1832, in the estimate book, is £6,116 8s. 2d. In the petty Leger it is £6,127 17s. In the regular books of the Company (the old Leger) it is £6,175 7s. 10d.

Without considering the vouchers, it appears that the officers have charged the Company in this instance with £58 18s. 10d. more than Donaldson had a credit for, and interest is even charged on it afterwards.

But there is another and more material defection in this account—it is this:—

The real estimate, with its details, are missing—Beaton, in whose hand writing is the document which is in lieu of that estimate, says that he could not swear he ever saw the original. In searching among the canal documents I found a few leaves of the end of this great estimate, and on comparing the addition found $264 of errors in Mr. Keefer's addition of these pages, which were certified as genuine by him and by the Vice President on the part of the Board. I began to compare the copy with this original, and also the calculations, and found that they had added several thousands of dollars to the credits of contractors which was not in the estimate at all, nor in the copy of it which they had adopted. While I was at St. Catharines last year Mr. Keefer took a half sheet of paper and three wafers and without any other ceremony added £730 18s. to the substitute for the estimate of November, 1832—"£297 7s. 8d. on account of work done on sections 12 and 13, Gravelly Bay route (by Donaldson) after the death of Galbraith," the original contractor; and "Garrison and Little, additional allowance of two cents on excavation, Section 15 and 16 Gravelly Bay route, $1726 07, equal to £431 10 4." This curious addition is dated "Welland Canal Office, November 1832," and signed by "Geo. Keefer, Esquire." On inquiring I found that 26,748 yards of excavation, and the other allowances had been paid Galbraith and charged to him in full of that contract in the same estimate, besides a present of $200 to Upper over and above the contract for finishing the job, in all $4,300. Mr. Newlove informs me that Donaldson did some part of the job at the conclusion, but as the full amount is credited in the copy of the estimate to Galbraith and Upper, Donaldson could only have been entitled to claim as a sub-contractor, and the £200 and upwards credited to him by Keefer is clearly an overcharge, for the job did not come to $5,100, nor was it so stated in the estimate until I began to analyze it.

John Boyle's £18 2 9, entered first as paid in September, 1831, and again as paid by note in 1834, is entered in the petty leger, as if paid or settled the third time through Donaldson!

THE PEACOCK STEAMER'S £447.

On the 29th of March, 1831, Mr. Wm. H. Merritt, personally, and not in a public capacity as agent of the Canal Company, appears to have entered into an agreement with C. H. Reade of Erie, to hire the Steamer Peacock till November in that year, Merritt paying $2,500 to Reade for the use of the steamer, besides paying $130 per month in wages, and finding fuel, provisions, and defraying all the items of expense. In June afterwards, I find a minute of the Board, stating that it is important to establish a regular communication between the two lakes, and recommending the chartering of the Peacock for *the remainder* of the season at $2,000, or as much lower as possible; the Company to supply her with fuel, &c. &c. &c. The expense of the Peacock to the Company is charged as follows:

Only $1,666 66 was paid for the charter.

On examing the account of the Peacock's receipts and the payments, it appears that £447 10 was debited to profit and loss on the loss on the vessel; but the sums of £36 1 3 and £43 15 3, which, form part of that, are before charged on the great leger as having been paid from the Bank, out of the funds of the canal to Silas St. John, Coulter & Watson. There is also a difference of 31s 2d in the calculation of the loss, leaving the total defalcation by the officers of the Canal Company in this item, £81 8 1. For the £36 1 3 to St. John there was no voucher.

JOHNSON ORR'S DEFALCATION.

This is an account for work with a dredging machine. The officers have entered it on the regular books as if they had paid Orr £16 more than the true amount of the estimate credited to him by the Board. But such is not the case—the petty leger shews that Orr got no more than was coming to him by the estimates—and the regular books only exhibit an attempt to mystify a plain account so as to obtain a credit for the payment of £16 of the funds of the Company, which were never so paid. It is a defalcation.

JOHN SINCLAIR'S FEEDER JOB.

$25 76 are charged to this contractor on a small job beyond what he was entitled to, and after he had sent for and received the balance that was coming to him. I think this really was an error—although it proceeded from the great carelessness usually displayed, as will be evident from the perusal of the previous receipt. The balance is entered as paid to Mr. Wenham by Mr. Black, and I presume that if Sinclair did not get it, as he knew it was not due to him, some of his friends must have got it.

GEORGE SMITH, TOLL COLLECTOR.

In journal page 244, £15 5 is entered to his credit and charged to contingencies, as paid him for salary in a particular month. But in another part of the books it is shewn that the whole of his salary for that season, as well as for that month, was paid him out of the tolls. The £15 5 is an overcharge by the officers.

There is an overcharge of 46s 7 1-2d for Orson Phelps, in same way and at same time.

Smith also appears charged in 1832-3, with an old debt of £67 13 2 1-2, for which the minutes say he was to give security. It is not carried into the new leger, and, perhaps, it would be well to examine him, to see whether it is real, or whether there is not something about it which the books do not explain.

BRUNDAGE'S £1,340 TIMBER CONTRACT.

One of the first entries on the old leger is a debt of eleven years standing by Theophilus Brundage, of £1,340 7 1. But I am inclined to think that Mr. Brundage owes the Company nothing—there was a number of proposals to furnish timber of a large size for a tunnel for the Deep Cut. Mr. Keefer and others sent their tenders—but it appears that Mr. Brundage offered the lowest of any, from whom ample security could be obtained; and the books shew that £1,340 7 1 were paid him for large sized squared timber in 1825. As it was not required for the tunnel, I asked the officers what had become of the proceeds, and Mr. Merritt said he did not know that there were any. The books not appearing to shew any returns, and it being impossible to suppose that between 5 and 6,000 dollars value in that commodity, squared and delivered, was lost, besides a large additional sum allowed for attending to it. I consulted Mr. McMicking, the member for the fourth riding of Lincoln, who stated that he did not know the amount of the gross receipts for the timber, but, that he bought and paid for some of it himself. Mr. Newlove has since informed me that Oliver Phelps used an immense quantity of this timber in his 34 lock contract—many thousand feet—and if so, he or the Company's officers should be made to account for it. It was rumored that some of it was used in shanties, but this Mr. Newlove positively denies.

The contract with Brundage, long lost, was discovered the other day by Mr. Beaton, with an award of £1,340 to Brundage approved of by Mr. President Dunn. Brundage was paid, in April, 1827, £58 for securing this timber in June, 1825, and the quantity, by James Clowes' measurement that month, was 202,-382 cubic or square feet.

Mr. OLIVER PHELPS' ACCOUNTS—A DEFECTION.

In page 157 of the great leger a whole line is erased, and then the amount is balanced off as if both sides of it were equal. But it takes £95 11 4 on the credit side to make it add equal. This difference is composed of several items on the debtor side which appear to have been re-paid by Mr. Phelps, as is shewn by a memorandum in the estimate books. Although not placed in the books, but balanced by an erasure, the above £95 11 4 is to be met with in the balance sheet, laid by Mr. Black before the Assembly in 1830. It is a defalcation as cash due by the officers, and was a credit to Mr. Phelps, £7,558.

SILAS ST. JOHN.

£100 is credited to him for a scow, and £36 1 3 for cord wood, for which there are no vouchers. The cord wood is again charged the Company as a part of the loss on the Peacock steamer.

MR. DAVID THOMPSON'S ACCOUNTS.

The mixing up of accounts and of public and private transactions has occasioned much confusion on Mr. Thompson's accounts, as settled by the adopted copy of the estimate of November 1832, the officers entered in 1835 on the leger that £198 had been over-credited. This, Mr. Thompson denies, and makes further claims. His other estimates, up to November, 1832, are corrected and charged in the copy of the estimate of that month, and he not only disputes that £198, but makes further claims. I tried to understand his account, as it stands on the books, but found great difficulty, such is the confusion of the books; and the gentlemen named by the committee have had no time to go over it.

(OFFICE COPY.)

Dear Clark:

I received, yesterday, a few copies of the Report, I hope Leavenworth has struck off a number on better paper—they are badly executed—send them to all quarters—to all merchants and captains of vessels—and to the Western country, in particular—Mr. Yates—England, &c., as usual. The accounts are not here yet, what delays them?—let me know when they are sent to Lower Canada to the Speaker, who should also have Reports for half the members. Send, by first good opportunity, my map of the United States, well done up in paper, it is at my house, and any publication which may arrive relating to canals, &c.

I wish you to charge me £500, and credit Thompson, the money was only handed Jackson when in St. Catharines. Make out and send a statement of Dunn's account for me to hand him —the Debentures are issued, but not yet received.

Mackenzie has not the least influence—we have had a stormy commencement, but think we will have a good House—send me a statement of the Hydraulic Rents, as made out by Mr. Beaton —account of leases—interest on sales, and sales also, of the hydraulic lands and property.

Truly yours',

(Signed) W. H. MERRITT.

January 18th, 1835.

JOHN CLARK, ESQ.

(COPY.)

WAINFLEET, *August* 26th, 1835.

Dear Sir:

In reply to your letter of the 15th, inclosed is a bond executed for the arbitration, differing a trifle from the copy received in your letter, but being verbatim, as per former agreement, and which, I trust, will be acceded to—you will please enclose a similar bond, duly executed by the President. I also enclose an account, received from the Company, dated 17th April, 1833, which shews the $792 38 = £198 1 11 omitted to have been brought to my credit in the accounts recently rendered by the Welland Canal Company, this account I beg that you will also return by next Tuesday's mail.

Dear Sir,

Your obedient servant,

(Signed) D. THOMPSON.

To the SECRETARY, W. C. C.

THE £31 5.

I stated to you, some weeks ago, that the officers of the Company had charged £31 5, of interest on a certain bill of £250, and then charged it as as if paid a second time, although it was only paid once. A great deal of correspondence with the Bank has been occasioned by this charge, the result of which, is, that I have satisfied the accountants, chosen by the Committee, that the money was wrongfully charged by the officers.

INTEREST ON MR. DUNN'S LOAN.

One of the very rare instances in which the officers have neglected to charge the Company with money paid on its account, found out, when searching for the facts in the above interest case. £2,500 and £250 were borrowed, through Mr. Dunn, in 1832 for the Welland Canal Company, and £150 of interest paid thereon. But there were £24 9 and £64 11 3 further interest afterwards due, which, upon examination, I perceived they had forgotten to take credit for, when paid—I mentioned the circumstance to the accountants, who have made an entry correcting this error.

I add the correspondence on these matters.

B. R., 8,861.

£250 0 0.

WELLAND CANAL OFFICE,

St. Catharines, Jan. 23. 1832.

Pay claims G. R. or bearer, the sum of Two Hundred and Fifty Pounds Currency, and place the same to account of Welland Canal Company.

(Signed) JOHN H. DUNN,

President W. C. C.

To the Cashier of the

Bank of Upper Canada.

JAMES BLACK,

Secretary W. C. C.

No. _____

No. _____

P.

E.

Account,

Amount, £

Interest,

£

Due,

BANK OF UPPER CANADA,

Toronto, March 26. 1834.

JOHN CLARK, ESQ.,

Secretary W. C. C.

SIR:

I have duly received your letter of the 19th instant, also Mr. Merritt's of the 20th, and have, in compliance therewith, transferred the £281 5 therein mentioned, to his credit, with the office at Niagara, waiting the settlement of the bill in question, when the remainder of the advances on account of the Grand River claims, are settled by the Company.

I am,

Sir,

Your obedient servant,

THO'S. G. RIDOUT,

Cashier.

BANK OF UPPER CANADA,
Toronto, March 17. 1834.

W. H. MERRITT, ESQ.,
St. Catharines.

SIR:

I have this day transferred to the office at Niagara, for your use, the sum of £2,525 17 5, being the balance remaining out of Mr. Dunn's acceptance of your draft for £3000, which I beg to account for, as follows:

	£	s.	d.
Discount on £3000, for —— days,...	14	16	0
Interest on £3000, advanced to W. B. Robinson, Commissioner,.....	178	1	7
To re-pay amount advanced to you on 9th February, 1832,.....	250	0	0
Interest on ditto,.....	31	5	0
Cash for balance transferred to Niagara,.....	2,525	17	5
£	3000	0	0

I remain,
Sir,
Your obedient servant,
THO'S. G. RIDOUT,
Cashier.

WELLAND CANAL OFFICE,
December 26. 1835.

THOMAS G. RIDOUT, ESQ.,
Sir:

Your's of the 24th instant, is at hand, but it does not state in what manner you received the payment of this £281 5, which you re-paid to Mr. Clark on the 26th March, 1834, by placing it to my credit in the office at Niagara, in that letter you state that until the remainder of the advances on account of the Grand River claims are settled, this bill may lay over.

In your account of 28th June, 1834, you charge B. R. 8,861, J. H. Dunn's draft, 23rd January, 1832 —pray is this not the same—the difference in the interest is but trifling in the two sums.

Very truly your's,
WM. HAMILTON MERRITT.

ST. CATHARINES, *December* 23. 1835.

THOMAS G. RIDOUT, ESQ.,
Sir:

If you have taken the trouble to read Mr. Mackenzie's charges, you may have noticed the sum of £31 5, interest on a note of £250—from the tenor of Mr. Clark's letter to you, 20th March, 1834, or from some other cause, he supposes the note of £250, on the 9th February, 1832, was on my own private account, and had laid over until that period—will you inform me on whose account this note of 9th February was discounted and how paid, by return of post?

I am,
Sir,
Very truly your's,
WM. HAMILTON MERRITT.

WELLAND CANAL OFFICE,
St. Catharines, Decr. 23. 1825.

SIR:

I will be thankful for a statement of the Bank account with the Welland Canal Company, for the years 1832 and 1833—also from the 15th April, 1835.

I am, Sir,
Your obedient servant,
JOHN CLARK,
Secretary W. C. C.

To THOMAS G. RIDOUT, ESQ.,
Cashier, Bank Upper Canada.

BANK OF UPPER CANADA,
Toronto, Dec'r. 30. 1835.

WM. H. MERRITT,
St. Catharines,

SIR:

With reference to your letter of the 26th instant, I beg to inform you that I have made further search in the Bank books, respecting the payment of B. R. 8,861, for £250—and find that on the 15th March, 1834, your private account was charged with that bill, and £31 5, for interest—afterwards, on the 24th March, your account was again charged with £281 5, which sum was transferred to your private credit at the office at Niagara—agreeably to Mr. Clark's letter of the 20th March—and it having been ascertained on the 13th June following, that your account was overdrawn, and that you objected to the charge of the above bill therein—it was debited to the funds of the Welland Canal Company, with the accruing interest, £3 15 5, making £284 0 5—and your account was credited with the original charge against you, £281 5—this was done on the 18th June, 1834.

The first payment of the bill was at your own request, out of the £3000 you received from Mr. Dunn at that time—the Welland Canal Company having no funds then at their credit here.

There are but few entries in the Company's accounts for 1832 and 1833—and in order that the account may be continued regularly, I will thank you to send me the Bank book.

By the foregoing, you will understand, that no part of the £3000 received by you, from Mr. Dunn, in March, 1834, was eventually appropriated to the payment of B. R. 8,861, for £250 and its interest.

I am, Sir,
Your obedient servant,
THO'S. G. RIDOUT,
Cashier.

MISTAKE IN CHARGING TOO LITTLE.

Had I found more of these and fewer of a contrary nature I should have had a better opinion of the managers of the Welland Canal, although I might not have been able to screen them from the charge of keeping their accounts most discreditably. But the only errors I found in this way were an under credit on Mr. Love Newlove's estimate of £35 5s 7d—$10 paid and not charged Scott and McEvoy, and the difference of £58 or so on the interest paid the Bank where there are errors on both sides, as I have just stated in detail.

THEOPHILUS McCHESNEY £45 15s 6d.

The cash journal charges Theophilus McChesney of Gravelly Bay with £45 15s 6d paid him under an order of the Board in that year. But the officer on consulting the minutes found that there never was any such order of the Board. McChesney got the money out of the tolls, but although an account was opened with him in the new leger eighteen months or two years ago, and there has been many payments since made him, the above sum still remains at his debit in the old leger without any explanation. Beaton said he believed McChesney did not owe it—that he had been charged with all advances. The £45 15s 6d is a default for which the Company's officers must account. (See old Leger, folio 237.)

CASH IN THE HANDS OF THE OFFICERS AND OTHERS.

In the new leger the officers admit they had on hand at the time the books were posted between £200 and £300. The balance sheet of the accountants employed by the committee shews the officers to have expended £337 more than they had—less the above sum of two to three hundred pounds on hand. The investigation since will prove the officers defaulters, and add to the demands of the Company on W. H. Merritt, Thos. Merritt, junior, and others, in all a sum of from $8000 to $12,000. What the nett sum is, will, I presume, be shewn by the accountants, I have therefore been the less particular in summing it up.

ROBERT CAMPBELL'S PETITION.

This contractor fulfilled a contract at the mouth of the Chippawa, and it was estimated to him by the Engineer, as per his agreement, at £2272 18s 6d, on which he petitioned to be allowed £274 1s 6d more, or in all £2547 in full of payment; and by an order of the Board page 122 his request was complied with, and that allowance ordered to be made him. On referring to folio 126 of the minutes I find he is allowed the difference as per order of the Board of 11th January 1830, but instead of extending £274 1s 6d agreeable to that order £350 10s is extended, which exceeds the authority referred to £75 9s 6d, and appears to be an error. It is the same in the Leger.

FORAGE, HORSES, &c.

One of Mr. Clark's accounts, paid from the canal funds is for horses, forage, &c.—£85; but there is no voucher to shew who was the seller or who was paid the £85; nor any personal bill or account whatever; it is simply stated that in 1831 so much was paid in this way—but to whom Mr. Clark could not tell us.

PACKET-BOAT CHIEF JUSTICE.

Instead of laying the gross receipts of passage and forwarding before the Company, the agent pays a very large sum—I think about £100—to one Martell, a person employed to manage the pecuniry affairs of this packet for the Company. Martell pays him £4 6s 01-2d less back as the proceeds of passage, &c. and the only notice taken in the account charged against the canal tolls, is the odd £4 of a deficiency. Martell and the forwarding agent appear to have performed all the functions of the Board of Directors as auditors, paymasters, &c. and it is too late to revise these matters in 1836.

ENGINEER'S SALARIES.

Twenty-five pounds are entered on the cash journal as if paid and charged to salaries and then transferred. But there is no voucher to shew that any such sum was paid; nor is there any voucher to shew to whom it was paid, and the salaries of the engineers and their contingent account are settled for by othsr payments. The officers ought to account for this sum.

LOUIS A. CONSTANTINE.

The estimate of his work to November, 1832 is stated in the leger £3 19s 4d less than it ought to be.

GEORGE KEEFER'S EXPENSES.

£3 13s 3d is twice charged to the contingent account for the same bill, as his expenses.

JOHN CALLAGHAN.

Folio 234 leger £9 15s is short credited him for estimated work done. And in cash journal, folio 326, $30 are charged to toll which should be charged to him. In his account in the petty leger £10 is entered as paid to him which is not carried into the books.

SCHOONER CARTWRIGHT.

In leger 302, the schooner is debited with £10, and the Secretary improperly credited that amount. The Secretary should be debtor to the schooner.

SCHOONER CARTWRIGHT.

In 246 of cash journal, contingencies are charged with £17 1s 2d for detention of this schooner, while it appears by page 33 of the toll book that £17 18s 10d was paid in cash as an advance to the Cartwright. The £17 1s 2d should be at the debit of the vessel instead of being at the debit of contingencies.

SHERIFF HAMILTON.

23s 11d is twice debited to contingencies and once charged to Mr. Hamilton. The officers are therefore due 23s 11d for this defalcation or error. But Mr. Bowery says there is no difference!

MR. T. BUTLER'S EXPENSES.

£3 15s are twice charged to contingencies for the same service, although the money was but once paid.

COLONEL ELLIOTT'S EXPENSES.

It appears that £6 7s 6d is debited to contingencies, cash journal 255, for the expenses of the Colonel as a director, one time attending the Board—but that sum is included in another larger sum of £13 2s 6d charged to contingencies in page 259. The vouchers correspond with this latter entry. The officers of the Company will have to refund the £6 7s 6d.

DALY & Co. CONTRACTORS.

In folio 228, great leger, this firm (which is probably the same as are mentioned in my 13th charge as having taken at 9 1-2 cents a contract for which T. Merritt had 12 1-2 from the Company) have received a credit of £11 19s 6d more than the estimate of Novomber 1832, which is the authority for the payment. The officers are responsible for that sum—it would be of no use to enter into an enquiry whether they have over paid Daly & Co. That is not very likely—and if they had, it was at their own risque.

JOHN DECOW'S FARM.

He was awarded £625 damages for injury done to his property by the canal. The award is on the minutes, but he has no credit on the leger for the amount.

ARTHUR SHORE—ERRONEOUS CREDIT.

While the claim of Decow, who is a creditor is kept out of the Company's books, Arthur Shore is entered in folio 188 of the 11th leger as a creditor for land awards, £25 since 1833. He was paid long since, without the $6 being deducted, so that if the books were correctly kept Shore would appear on the balance sheet as a debtor for $6 instead of a creditor of $94.

THE REV. MICHAEL HARRIS' DEBT.

In folio 185 of the leger this gentleman appears as a creditor for an unsettled claim for land at Chippawa, and so it appears on Messrs. Hinck's and Young's balance sheet. But Mr. Harris was paid long ago, and their erroneous credit is owing to their disgraceful book-keeping.

JOHN LYMBURNER'S £62 10.

In folio 187 an account is opened in the leger, and J. L. Lymburner appears as a creditor of the Company for £62 10s, and is also entered as a creditor on Messrs. Hincks and Young's balance sheet. But Lymburner was paid long ago, and has not a demand of a shilling.

BARTON FARR'S $150.

An account is opened on the great leger in which Barton Farr appears as a creditor of the Company for £37 10s; and so he was in December, 1833, but was paid in full many months ago, and the officers have taken credit for the payment elsewhere.—He appears a creditor on Messrs. Hincks and Young's balance sheet, but it is all fiction—he has no claim.

JESSE WILSON'S AWARD.

In Messrs. Young and Hincks' balance sheet, and folio 296 of great leger, Mr. Jesse Wilson is made a creditor of the Company for £37 1s 1d. But it appears from the title awards that Mr. Wilson was paid this money years ago, and that the leger credit is fictitious.

MR. JAMES SLOAN—HARBOR AND SECTION 15.

In folio 97 (Sloan's account) a whole line is erased from the Great Leger so as to make it impossible for one to tell what it once was. From this folio £50 are brought to another contract folio of Sloan's, page 167, and placed to his credit, without deducting any thing from the sum in the former folio. Sloan is due £75, which the officers tell me Martindale is to pay out of his award, and this £50 of a false balance makes his debt £125 — Inquiry should be made into the means of collecting some of the many debts due the Company, or so said to be on the books.

BEATTIE & Co.

This firm are entered as debtors to the Canal Company for £30 5s 5d, in folio 189 of the great leger—and there is no corresponding credit. So the account has stood for the last five years, and so it is entered in Messrs. Hincks and Young's balance sheet. The officers appear to think there is no real debt, for they have ruled off the account without a credit. The petty leger shews that payments were made to the parties, but the account appears different there also. Perhaps Mr. Black can clear up the difficulty. I feel satisfied, in the absence of proof, that the debt is fictitious, although it may have (I don't say it has) served to square off some difficulty on the credit side of the cash account.

THE ST. CATHARINES' FEEDER.

£246 0s 8d expended, or said to be, on this work, was irregularly entered, November, 1832. (See cash journal p. 206.)

CREDIT TO SECRETARY.

£186 7s. are entered in cash journal folio 208 as being at the credit of the Secretary, But only £100 is taken into the leger. A memorandum mentions that the £86 7s. is Grand River claims.

DAVID PRICE,

Is overcharged £9 4s. 6d in cash journal page 209, but deducted at foot. Price did not get credit for the money thus due him. Price and Fagan are charged £120, but are not due any part of it, as an examination of Levi Garrison and Little's account will shew.

WILLIAM H. MERRITT,

Gains 19s 11d by 46*l.* 0s 7d for costs he became security to the Messrs. Baldwins for being turned into 46*l.* 0s 7d.

ALEXANDER McDONELL'S £50.

50*l.* were credited to this gentleman in journal, folio 215, but not posted in the leger.

HIRAM SLATE,

Got an order from M. Lewis several years ago for 4*l.* 6s 10d. It is charged to Lewis but not credited to Slate.

BRUNDAGE'S RENT.

12*l.* 10s is placed at the landlord's credit for rent of old office, but not posted. There are several other curious entries about this rent.

JACK TOYNE & Co.

They were paid in full of all demands on the Canal Company in 1833 by notes payable, and an extra note of 24*l.* 1s was given them in 1833, bearing interest, which has been paid to some one. They have since done much work on the canal, but no attempts have been made to recover the value of the note thus improperly given.—*See Journal* 239.

ALEXANDER McDONELL.

In folio 251 of the great leger the 74*l.* 2s 6d got by Alexander McDonell from Mr. Black, out of the Grand River claims money &c. is not credited to any account whatever, although charged to McDonell.

JOHN BOYLE

Was a creditor for 18*l.* 2s 9d in 1831; was ordered to be paid from U. S. Bank and so entered on the books—was not paid. — In 1833 got a due bill bearing interest which was paid in 1834. (*See also folio* 354.)

DAVID THOMPSON

Gets a credit of 166*l.* 11s in folio 355, but cash which ought to be debited is not.

JOHN VANDERBURGH'S ACCOUNTS.

He is credited 8*l.* less than he should have been in the leger on his estimate for Nov. 1832. The same sum appears to have been overpaid him on that credit in the petty leger. He is still due $6 on this settlement. In the entries from estimates there is a charge for lock tending for which there is no bill or explanation, May, 1833. His other accounts will more properly come under consideration when Mr. Robinson's are reported on by the accountants.

When the July 1st estimate of 1835 came before the Board, it was signed in part by Mr. Keefer as engineer, and the whole by Mr. Merritt and Clark as President and Secretary. Some of the bills and vouchers were absent; some were more or less incorrect; some were for charges forgotten in former estimates; some were short returned by the Engineer and Superintendent; bills of the labor were produced without any accompanying time lists to shew the days and persons employed; the Engineer having forgotten the contract prices of stone walls built in lime and sand, as per the contracts of 160 perches to John Kerr; 181 perches to Vanderburgh; 240 to Christie, and 165 to Gillelands, now added the difference of 7 1-2 cents per perch, above the price he had estimated the previous month, having been instructed by the parties rather than by the more troublesome operation of a reference to their agreement. This confused and imperfect supply bill we passed, having deducted $1023 until explanations and corrections were given. No dependence can be placed on such documents, nor on the accuracy of those officers who produce them as regular returns.

A SPECIMEN OF THE WELLAND CANAL ENTRIES,

The exhorbitant commission of 500*l.* was allowed J. B. Yates of New York for obtaining the discount of a 50,000*l.* bill from the U. S. Bank for the Welland Canal on the security of this Province: Of this commission 300*l.* were paid at one time and 200*l.* at another to Mr. McDonell, Mr. Yates nephew. The entries in the *Cash Journal* of the payment of the 300*l.* are as follow:

1832, June 16, Folio 200.	J. B. Yates, *Dr.*—U. S. Bank, *Cr.* £300. Entered in Leger.
1832, Novem'r, Folio 206.	Toll, *Dr.*—J. B. Yates, *Cr.* £300.—Entered in Leger.
1833, May 1st, Folio 207.	U. S. Bank, *Dr.*—J. B. Yates, *Cr.* £300. Checked and numbered as if it were entered in Leger, but it was not entered.
1833, May 1st, Folio 208.	J. B. Yates, *Dr.*—United States Bank, Geo. Keefer and Secretary, *Cr.* £300, Checked and numbered in Journal as if it had been entered in Leger, but not so entered.
December 1835, Folio 324.	Toll, *Dr.*—Toll, *Cr.* for J. B. Yates, £300. Legerized in an entry under the title of "Sundries *Dr.* to Sundries."

It is to be hoped that this transaction at least is sufficiently recorded in the Company's books.

In order that the committtee may themselves fully comprehend the degree of responsibility of the officers I will here quote the standing orders. They provide—That the Secretary shall be exclusively under the control of the President, *that all money transactions* must be approved by the Directors, and that no money be paid out by the Treasurer until their sanction is obtained; that no moneys shall be advanced to any contractor until good and sufficient securities shall have been entered into for the due performance of his contract; and that the Engineer shall make out an estimate of the amount due upon each contract on the 1st day of every month; the same to be certified by the Agent and transmitted to the Board at their monthly meeting.

Under these regulations, the following proceedings were had:

"At a meeting at St. Catharines, October 7, 1831.

PRESENT:

Hon. J. H. Dunn. *President*,
Henry J. Boulton,
John Warren,
Robert Randal, and } *Esquires.*
Thomas Butler,

"*Resolved*—That William Hamilton Merritt, Esq., the present Agent of the Company, be appointed to the office of Secretary in the place of Mr. Black, resigned, at an annual salary of of 400*l.* per annum, to take place on Mr. Black's quitting,"

"*4th November*, 1831.

PRESENT,

Messieurs Dunn,
McDonell,
Allan, and
Randal.

"At the request of Mr. Yates, John Clark, Esq. was nominated for the office of *Book-keeper* to the Company on Mr. Black's retiring from his present situation of Secretary—wherefore it was

"*Resolved*—That John Clark be appointed Book-keeper with a salary of 150*l.* per annum, upon his giving security in the sum of 1000*l.*"

Mr. Clark gave security in May, 1832, and there his salary commences on the Company's books as Book-keeper.

MINUTES OF 31st MAY, 1832.

(EXTRACT.)

"Mr. Clark having been required by minutes of the 4th of November, 1831, to give security to the amount of £1000 upon taking upon himself the office of Book-keeper to the Company, submitted the following:—

"Job Northrup and Charles Ingersoll, Esquires, as his securities.

"*Resolved*—That the same be accepted of and that he enter upon his office accordingly."

Upon a reference to the books it will be seen that Mr. Clark never wrote a line either in the Journal or Legers, but copied the minutes for Mr. Merritt the Secretary, into the minute book at 150*l.* a year.

"*19th November*, 1832.

PRESENT.

Messieurs Dunn,
Keefer,
Randal, and
Butler.

"*Resolved*—That Mr. Merritt will resume his situation as Agent, and Mr. Clark be appointed Secretary."

On the 5th of June, 1833, Ogden Creighton, Esq. became the Treasurer of the Company, and as such responsible for its money; he gave 2,500*l.* security, and was allowed no salary, the funds then being very low indeed.

I perceive by the minutes of the 6th August, 1834, that the Board had become fully sensible of the discreditable state of their financial affairs. Mr. Raincock was about to be employed to arrange the accounts when the officers evidently not wishing that an intelligent stranger should interfere, made a representation to the Directors as followeth:—

"Mr. Clark having reported to the Board that during the present month he thinks he can with the aid of his present assistant put up the books, produce a regular balance sheet of receipts and expenditures, have the Hydraulic books open for sale of lands, hydraulic situations, &c. &c. &c., the estimate in due time for the examination of the President and the business of the office regularly brought up, *Resolved*—That the decision of the Board respecting Mr. Raincock be *suspended*."

Instead of doing as he had promised, the books were left in the same state of confusion as before, and in August last I obtained an order of the Board that the whole amount of revenue of which no account appeared on the Company's books, and which had been collected in 1830, 1831, and 1832, should be instantly entered; part was entered last December, and the rest is yet to enter and audit by the Board. The accountants employed by the committee have already audited the whole.

It was formerly the practice that when one contractor took two or more contracts a separate folio was entered in the leger for each contract, and much confusion was prevented thereby.—Since Mr. Dunn ceased to act as President and to attend the Boards, this excellent practice, as well as that of having an estimate book with the expenditure on each job or section separated and classified, all is placed together in as confused, unintelligible and reprehensible a manner as it was possible for human ingenuity almost to have contrived. Many of the late contracts with the Company's officers are illegal—wanting alike the seal of the Company as the signature of the President or Vice President for the time being.

The following letter will shew that Mr. Creighton is also responsible for any defalcation.

WELLAND CANAL OFFICE,
St. Catharines, June 6, 1836.

SIR,

I am instrncted to inform you that Ogden Creighton, Esq., one of the Directors, is appointed Treasurer to the Company, and that all tolls collected after the 1st inst., will be paid over to him by the several collectors at such time as he may require the same to be paid. It is also ordered that in future no deductions for salaries to collectors or for other charges will be admitted to be deducted from your toll return, unless first submitted and authorised by the Board of Directors.

You will please observe that in receiving payment of tolls by due bills of the Company, you will only take them from the original holder for the tolls on any property he or she may have passing the canal—or those having demands on the Company on their own personal accounts, viz:

David Thompson, Esquire,
A. Thompson & Co.
A. S. St. John and Phelps,
H. N. Camp,
S. R. Squires,
George Keefer, Esquire,
Oliver Phelps,
Alexander M'Donell, Esqr.
and
W. H. Merritt, Esquire.

I beg leave to annex the copy of a resolution which passed the Board on the 5th inst., a copy of which please affix in your office and make public otherwise for the information of those concerned.

I have the honor to be,
Sir,
Your Obedient Servant,
JOHN CLARK,
Secretary W. C. C.

ST. CATHARINES, *July* 3, 1833.

DEAR SIR,

In receiving from you the sum of————I feel perfectly satisfied you have done every thing for the accommodation and for the interests of those concerned in the canal—but I would suggest to you how utterly impracticable it will be for me to receive orders or due bills in payment for tolls without the sanction of the Board, and that consequently you ought to insist upon *all tolls being paid* at the time the vessel passes your station—the commencement of the season you probably thought some little indulgence called for—that can no longer be made a plea, and I

would have you in future to insist upon all dues being paid you, as I shall *certainly* require them at your hands.

I have the honor to be,
Dear Sir,
Your Obedient Servant,
OGDEN CREIGHTON,
Treasurer W. C. C.

To
ROBERT RANDAL, Esq.,
Collector, Port Colborne.

WELLAND CANAL OFFICE,
St. Catharines, April 3, 1834.

SIR,

The inconvenience and loss with which the Company was burdened last year in consequence of the collectors permitting the tolls to be paid in money of the United States renders it necessary that you should in future receive *no other notes in payment of tolls than those of the Banks of Upper or Lower Canada* or *the State of New York.*

I am, Sir,
Your Obedient Servant,
OGDEN CREIGHTON,
Treasurer, W. C. C.

To
The Collector W. C. C.
Port Colborne.

WELLAND CANAL OFFICE,
August 7th, 1333.

SIR,

In consequence of several bad notes of the United States currency having been paid into this office in lieu of tolls—you are requested to inform the masters of vessels that *after this trip* no other notes can be received as tolls except notes of the Banks of Upper Canada or Lower Canada. You will be held personally responsible for receiving any other after the 20th of this month.

I am, Sir,
Your Obedient Servant,
OGDEN CREIGHTON,
Treasurer W. C. C.

To
ROBERT RANDAL, Esq.
Collector, Port Colborne.

CALBREATH AND LAX.

In the 338th folio of the great Leger £567 3s. 3d. of a balance stated to be due by this firm over and above their estimates for work done, is ordered to be charged to "Bad Debts," afterwards altered to "Profit and Loss." There is an entry in the same folio of the leger of "June 8th, 1832—to cash £567 8s. 3d." and upon consulting the 199th folio of the Journal, it is entered, cash paid "Wm. Calbreath 250*l.*, and for loss on contract other £317 8s. 3d." The minutes of the 31st of May shew that Calbreath's loss on enlarging the canal from Port Robinson was ordered to be paid. I do not clearly understand the Engineer's estimate placed to his credit; it goes into no particulars. The lot mentioned in Mr. Merritt's letter, hereto annexed, has been sold lately to one of the Directors for 100*l.* or thereabouts.

Copy of Letter, Wm. Hamilton Merritt, Esq. to the Hon. Wm. Allan—dated 19th Dec'r., 1831.

ST. CATHARINES, 19*th December*, 1831.

MY DEAR SIR,

Mr. Calbreath, a very respectable Englishman and good contractor, has taken the job to deepen the canal from Deep Cut to the junction to Gravelly Bay. He requires an advance of 250*l.* —for which a deed of property to a large amount is made over to Mr. McDonell—besides the work must be done as soon as first of April, and the money will be in our hands to meet the payment, which I will see done from the canal company—there can be no risk in advancing the money under such circumstances I should apprehend. If you think so, will thank you to speak to Mr. Ridout on the subject.

Truly yours,
WM. HAMILTON MERRITT.

Hon. WM. ALLAN.

Copy of Letter, Wm. H. Merritt, Esq. to Thos. G. Ridout, Esq.—dated 20th Dec'r., 1830.

ST. CATHARINES, 20*th December*, 1830.

SIR,

The enclosed draft from Mr. Calbreath, on Mr. McDonell, and endorsed by Mr. Lex of Niagara—is secured through the Welland Canal Company, and will be paid out of the April estimate.—If discounted please enclose me the money for Mr. Calbreath.

And oblige
Your obedient servant,
WM. H. MERRITT.

THOS. G. RIDOUT, Esq.

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335. Your second head of charge is "that very "many erasures have been made in the Journal and "Legers, some of which are to the evident disad- "vantage of the Company, and the benefit of persons "connected with the management of the Canal, while "there are others concerning which nothing can be "traced by which to discover the original entries." If this is the case you will please refer us to the pages where these erasures occur?—I refer you to between one and two hundred erasures in the old Leger, and to at least as many more in the Cash Journal and Estimates, from the two latter of which, as being original entries, the Leger is filled up. The petty legers also contain almost innumerable errors, and from these books also are entries made for the perplexing character of which I refer you to such evidence as may be given by the book-keepers of your appointment.

Mr. Bennett, of New York, in his system of American book-keeping, a work deservedly recommended by Mr. Archibald M'Intyre, of New York, Mr. Delbitt, Surveyor General, the Cashier of the City Bank, the Mayor of Albany, Mr. Van Rensselaer, and other eminent accountants, lays down the following rule for the correction of errors in the Legers:— "If a sum be entered to the credit of an account that "should have been on the debtor, it ought not to be "scratched out, but entered on the other side by "debiting the account *To Error*, and the correct post "be then made." Again in his introduction he remarks that "even among those who prosecute "business, have, when requested to exhibit the state "of their affairs, exhibited books with erasures, with "blots, with omissions, and circumstances to the "opprobrium of the merchant, and which none could "decipher, and which the book-keeper himself could "not explain. From these causes shameful and "interminable disputes have arisen; suspicion, "charges of injustice, loss of reputation, and loss of "property, have ensued." Pages 27, 33, 42, 45, 54, 61, 65, 66, 69, 70, 71, 73, 74, 75, 85, 97, 113, 120, 138, 146, 151, 152, 155, 156, 157, 180, 185, 194, 216, 228, 236, 240, 250, 251, 253, 259, 273, 278, 283, 323, 333, 339, 369, 389, 395, 399, 402, & 404 of the Leger will afford specimens of the erasures, and there are many others. The cases of

Oliver *Phelps*, in Page 157, where a whole line is erased, and also where a false balance of £95 11s. 4d. is obtained by another erasure equally incomprehensible; of *Ward & Hovey*, where it differs from the printed balance of 1830, page 402; of *Thomas Merritt*, page 402; 151 all the line out; and of *Sloan*, folio 97, where the whole line is erased, a false balance produced, and one cannot tell what was formerly entered, or from what book taken—will serve as illustrations of the effects of erasing from the Leger; but it is infinitely worse where there are erasures from the Journal, it being a book of original entry. Almost all their books of original entry, however, are crowded with erasures; as to omissions, they are, like the false and erroneous entries, almost innumerable.

In the course of a hundred pages of the Cash Journal, which as they keep no Waste Book is a book of original entries, there are at least sixty or seventy erasures. I will now proceed to shew the effect. Finding that the Cash Journal contained regular and proper entries in several cases which had been marked as entered in the Great Leger, and that although these entries had the appearance of having been duly checked and examined, they had been sometimes carried forward to the Leger only in appearance, I went over Thomas Merritt's entries in the Cash Journal after the report of his affairs had been laid before the Board, and in page 257 met an entry as follows:—

"*Thomas Merritt* Dr. to Toll Nov. £50 0 0. Dec. 5s. 7½d.—added up £50 5s. 7½d." This sum was marked as having been carried into the Leger, p. 402, and found the 5s. 7½d. remaining, but where the £50 should have been there was one of those erasures which so disgrace their book-keeping, and two dots neatly made over it to withdraw attention from it. I next turned to the Toll Leger and found that Mr. Merritt had actually received the £50. I then opened up the toll receipts and found the receipt he had signed for it. I next turned to the Toll Leger page 88, and found that the Secretary had taken credit for this £50, as paid to Merritt from the Tolls. I strongly suspected the officers because they must have seen it when they checked the books, if it was not done after May last. Callaghan who made the original entry, has had no access to the books for many months, and Beaton had drawn out Merritt's account as if there were no such £50 against him. Since I left the Canal Office, I have learnt that Callaghan who they employ as lock-keeper and to collect tolls at Robinson has been sent for, and that he thinks he made the erasure, but cannot explain what induced him so to do, unless that his mind had got confused about the obliteration in the Journal in the month of November, the true time when the money was paid! But if he did, and if the officers, with the entry of £50 5s. 7½d. in the Journal, and only 5s. 7½d. of it carried into the Leger, with an erasure in place of the $200 before their eyes, could wink at such a system of knavery, and allow it to remain to the injury of the Company.

Of the original Journal entries in the Company's *Cash Journal* there are erasures in the following pages, besides others, sometimes 4, 5, or even 6 erasures in a page, and no explanation can be given in a variety of cases. For instance, you will meet with erasures in the Cash Journal pages 56, 57, 58, 59, 60, 61, 91, 93, 95, 104, 107, 110, 112, 122, 128, 132, 133, 135, 136, 139, 144, 148, 151, 152, 163, 164, 177, 179, 180, 184, 190, 202 204, 206, 210, 213, 214, 216, 217, 220, 221, 224, 229, 231, 234, 238, 240, 245, 246, 249, 251, 253, 259, 261, 262, 265, 266, 269, 275, 285, 286, 288, 291, 292, 297, 309, and in I do not know how many more. The truth is, if you examine an account to day, it is really difficult to tell whether an erasure will not defeat all your vigilance tomorrow. A variety of statements having relation to this charge will more appropriately appear under Nos. 1 & 2.

From motives of curiosity I compared the return in the contingent account given in by the Company in 1830, and printed with our report that Session, with the items in the Leger. The sum of £189 13s. 6d. at the credit of this account does not correspond in amount with the balance sheet given in in 1830, which says £213 8s. 6d. and there appears an erasure in the Journal entry. In the minutes folio 177, and Cash Journal folio 194, £42 8s. 7½d. are charged contingencies of the Canal for transporting emigrants.

326. What have you to offer in support of the 8th, 9th and 11th charges?—The principal evidence on Nos. 8 and 9 will be found in the statement on charges Nos. 1, 3, 4, 5 and 6, all of which have reference to the Company's books and accounts and money transactions. A reference to the books of account will shew that since Mr. Dunn ceased to be President until lately, the officers paid themselves their salaries without any order of the Board of Directors. The last order I find (until lately) is that of the 31st of May, 1832. No officer of an incorporated Company can possibly have the right to appropriate to himself any salary or emolument in opposition to the standing orders of the Board to which he is subject as such officer.

I submit a copy of the report of Messrs. Bowery & Burns of St. Catharines, and their appendices, in order that the public may see how easily a great corporation like the Welland Canal Company may have a report declaring that black is white and white black, and that error is truth and truth error, if they will but pay well for it. The Board of Directors, —Mr. Thorburn dissenting, and Dr. Duncombe and myself absent—approved of the report on the 6th of January last after a full investigation!! Had it not been that the authority of the Assembly was sufficient to enforce a thorough investigation, many persons would have believed Messrs. Burns & Bowery, that I was a slanderer, and the officers of the Company and the Board of Directors all honorable, pure, and spotless men.

REPORT OF MESSRS. BOWERY AND BURNS.

To the President and Directors of the Welland Canal Company:

GENTLEMEN—

In consequence of our having been appointed to examine and compare certain charges made by Mr. Mackenzie, for which appointment we refer to the Resolution, and letter of Mr. Clark, hereto an-

nexed, we proceeded to make a minute, dilligent and impartial investigation of the Books of the Company.

The result of this examination, shows clearly,

First, That all the money received by the Secretary and Treasurer has been duly accounted for by order of the Board, as appears from the minute book, to which we, on all occasions referred, where money was paid;

Secondly, That the books have not been tampered with to suit the purposes of any one;

Thirdly, That the erasures in them only extend to such instances as these, namely; the name of debtor or creditor wrong, and erased; the column of figures added up wrong, and erased to correct it; or the extension to the wrong column and erased. In no instance has an erasure of that kind happened, to the prejudice of the Company, except in a charge of £50 made against Thomas Merritt. This was done by Mr. John Callaghan, under a misapprehension that this £50 was included in another payment, and for an explanation we refer to Mr. Callaghan's affidavit, hereto appended.

We have noted sundry errors in 1831, 1832 and 1833, before Mr. P. G. Beaton had charge of the Books, only one of which proves prejudicial to the Company—the payment of £24 1s to John Toyne & Co., in consequence of a neglect to post that amount to their debit. Since Mr Beaton took charge of the Books, we have discovered no errors.

The errors in the Books, and in the Estimates, amount altogether, to the sum of £106 6s 2d against the Company, and £43 11s 2d in their favour; but we do not believe a defalcation of one pound will be found.

There are two or three Estimates which yet require to be examined, not having had time to do it. These, with some other charges, which are trifling, will form the subject of a supplementary Report.

Whether the errors be considered great or small, in the expenditure of nearly £500,000, is a mere matter of opinion, on which every individual is as capable of judging as ourselves.

The subjoined Report is as full and circumstantial as our time would permit.

We have the honour to be,
Gentlemen,
Your obedient servants,
J. T. BOWREY.
ROBERT E. BURNS.

WELLAND CANAL OFFICE,
St. Catharines, 4th Jan. 1836.

"Whereas, it has been stated by Mr. Mackenzie, a member of this Board, that the financial affairs of this Corporation are in a state of great derangement and that the Books have been improperly tampered with; and whereas, the Board are desirous to have the charges made by Mr. Mackenzie thoroughly and impartially investigated by some competent and disinterested person or persons—

Resolved, That J. T. Bowrey, Esquire, be authorised to examine and compare the said charges with the said books, on behalf of this Company, together with all receipts, and expenditures of all moneys which have come into the possession of this Corporation, from time to time, up to the 31st October, inclusive; and that the Secretary, Mr. Clark, be requested to appoint another person to act in conjunction with Mr. Bowrey, and that these two gentlemen do report the result of their examinations to this Board, and they shall have full power to examine all persons, books and papers, in any way connected with the affairs of this Corporation.

Resolved, That the following Directors of the Board do attend at this office, by turns, weekly, to superintend the examination of the Books, and closing of the accounts of this Corporation, in the following rotation:

Thomas Butler, Esquire, to attend to 30th November.

Alexander Macdonell, Esquire, the following week.

David Thorburn, Esquire, the next week.

Ogden Creighton, Esquire, the next week.

And so continue in rotation.

Truly extracted from the minutes of the Board, 19th, Nov. 1835.

(Signed) JOHN CLARK,
Secretary, W. C. C.

Welland Canal Office,
St. Catharines, 25th Nov. 1835.

Sir,

I beg leave to enclose you a copy of the Resolutions of the Board of Directors, and to request (on my part,) that you will act in conjunction with Mr. Bowery, in the examinations required by the Board.

(Signed) JOHN CLARK,
Secretary, W. C. C.

R. E. BURNS, Esq., &c. &c. &c.

REPORT ON MR. MACKENZIE'S CHARGES.

We commenced our examinations with the year 1831, at the place Mr. Mackenzie commenced his remarks in pencil; and throughout the Books we find he has made a great variety of these remarks; and also checked the sums in pencil: but in order that our examination should in no way be blended or confused with his, we have checked the Books with red ink. We have constantly referred, on all occasions where money has been paid, to see whether it had the sanction of the Board, and in no case have we found that it had not.

The first charge we were made acquainted with, as preferred by Mr. Mackenzie, was, that it appeared about £50 received by Mr. Black, the former Secretary, from the Bank of the United States, had not been accounted for. Our examinations result in this:

Folios 186, 187, Journal, we find Mr. Black received, and the entry is as follows:

Sundries Dr. to the United States Bank, £2,677 14s. 6½d.

This sum was more than was required by 2s. 6d., in consequence of the estimate sheet being added wrong, and was not found out till adding the different amounts on the Journal. This 2s. 6d. is brought down, as cash on hand, to the next estimate, and accounted for, folio 188.

Folio 188, we find Mr. Black received, and the entry is—

Sundries Dr. to the United States Bank, £2,572 13s. 7d.

This amount was more than was required, by £49 19s. 10d., in consequence of the estimate sheet being wrong added up; and this amount is brought down in the next estimate as so much cash, and brought into account in folio 191. What may have given rise to Mr. Mackenzie's suspicion, is, that in the minute book, folio 169, the next estimate is passed the Board, as £1,891 4s. 3d.; but when we referred to the original estimate, to compare it, we found it £1,941 4s. 1d.—just the difference, £49 19s. 10d. The amount is correctly stated in the Journal; but the Secretary having £49 19s. 10d., remaining on hand, thought it perhaps only necessary to enter in the minute book, the balance. The amount is all paid out, as appears in detail, folios 190, 191.

Folio 206, Journal, £246 0 8d. is charged to the debit of Toll, and credited on account. This sum was paid for constructing the St. Catharines feeder, and paid out of the Toll of 1832, by order of the Board. It is correct, that it should only be a single entry to the debit of Toll, because the persons to whom it was paid are credited with the respective amounts, direct from the estimate sheets. The not posting the credit side from the Journal, makes no difference in the balance sheet, because that is made from the Leger solely, and the credits are then carried in, but from a different source than the Journal. The estimates on this work form no part of the balance of the expenditure of 1832, and of the money granted by the Legislature.

Folio 207, Mr. Mackenzie finds fault that John Donaldson was not credited in the Leger with £250; Love Newlove, £225, and J. B. Yates, £300. The reason was this: £2,300 was previously obtained from the United States Bank, to be paid to certain persons, of whom the three above named were charged with those amounts. It appeared afterwards that this sum was not all paid to the different persons to whom it was charged, and there was an order of the Board to re-credit the whole amount, which was done in folio 207; but as the three above named had been paid those amounts, they were immediately re-charged on the same folio, with the same amounts, and the book-keeper thought it unnecessary to post the two sums, as the one balanced the other, and so left the original charge standing. We think it would have been better that both had been posted, because then there would be no room for remark.

Folio 208, there is a sum of £186 7s. stands to credit of the Secretary. It is posted to the Leger only £100. This sum has actually been paid, as the accounts on folio 208 prove; but where the cash came from, we are at a loss to account. The only two sources it could come from, is either the toll of 1832, or from the pockets of the officers themselves. It is wrong that even the £100 should be posted to the credit of the Secretary, unless he did actually pay it. We, therefore, recommend the reversal of that entry to his credit, and open a new account, called a suspense account, for the whole £186 7s. until it can be ascertained where it is from.

Folio 209, there is a sum of £9 4s. 6d. twice charged to David Price. He should have credit for it, and we recommend its being done. It makes no difference, however, in the cash, because, in folio 212, the amount is deducted from the estimate, showing correctly the amount of cash paid. The account with Price was subsequently settled, by his receiving a note for balance, deducting both charges, which note has been paid; consequently, the amount, £9 4s. 6d. is still in the hands of the Company, and not the Secretary, or book-keeper.

Folio 214, Mr. Mackenzie notices that £46 0 7d. is not posted to W. H. Merritt's credit. He is credited with the amount in folio 225, the entry being twice made. In the first, Garrison & Little are debited with it, and posted; but credit is not posted to Mr. Merritt. In the second entry, Garrison & Little are debited, but it is not posted, and is posted to Mr. Merritt's credit, which makes it correct.

Folio 215, Mr. Mackenzie notices that £50 is not posted to the credit of Alexander M'Donell. The amount is posted to his credit in petty Leger, folio 55; and the balance of account against him, £74 2s. 6d., after deducting the £50, is transferred to the great Leger, folio 251.

Folio 216, the widow Cohies' account is not posted to the Leger by 1s. enough. That should be now to her credit. It is a mere clerical error.

Folio 222, Mr. Mankenzie notices that £5 6s. 6d. is not posted to the debit of Calbreath. The reason is, because he was already debited in petty Leger, folio 40, and deducted from his account. For explanation of entries in petty Leger, see remarks below.

Folio 224, Mr. Mackenzie notices that £3 16s. 6d. is not posted to the debit of John Donaldson. It is debited to him. On folio 209, £1 6s. 6d. is charged as paid Donovan, and in the petty Leger, folio 170, £2 10s. is charged; and the balance, £41 6s. 2d., including the £2 10s., is brought to the debit of Donaldson, Journal, folio 214.

Folio 224, Mr. Mackenzie thinks that the sum of £4 6s. 10d. and £4 1s. 10d. to credit of Slate, is the same. It is not the same charge, for the one is on account of Fisk, and the other is on account of Lewis, and is charged to Garrison & Little, in account. The sum of £4 6s. 10d. has never been posted to Mr. Slate's credit, and the Company owe him that amount now. The error is Mr. Beaton's.

Folio 225, 226, charges of £3 10s. to M'Chesney, £15 5s. not credited Toll, and £1 5s. Johnson Orr. For explanation, as all these are blended with the Toll account, vide the account hereto appended.

Folio 228, Mr. Mackenzie notices that £3 13s. 3d. is not posted to Mr. Keefer's credit. The money was paid him, and therefore it only stands to the debit of contingencies. £3 15s. to Mr. Butler, the same, and is part of the Toll account.

Folio 228, Mr. Mackenzie thinks £12 10s. for rent, is twice charged. He is right; it is twice charged contingencies, but is only credited once to any body, and that Mr. Merritt.

Folio 229, Mr. Mackenzie notices that £49 12s. 9d. is not posted to credit of A. Macdonell. It is posted to his credit previous, in folio 222. The sum, however, stands twice debited to contingencies, but only once to credit of any body.

Folio 238. On this folio is the charge which Mr. Mackenzie seems to think cannot be cleared up, in any way. Previous to the examination of this charge, Mr. Thorburn requested Mr. Burns to notify him at what time we should be ready to investigate it, that he might be present, as he said he could more distinctly make us understand what Mr. Mackenzie's views were. Mr. Burns did notify Mr. Thorburn, also Mr. Black, who both attended the whole investigation, and the result of this examination is as follows:—

The Bank of Upper Canada agreed to loan the Canal Company £1,500, to pay the Grand River claims; the balance, deducting discounts, £1,370 2 3, was obtained. The first amount, £572 10, a draft given to George Keefer, was paid; the Bank, deducting £180 for interest on a £3,000 loan before that time; and £51 10 7, the balance of account against the Company—so that only £340 10 5 was the amount received by Mr. Keefer. Mr. Mackenzie says the entry in the Journal is false to Mr. Keefer's credit, £231 19 7, because those two sums were paid by the United States Bank, as appears from the entry, folio 184, of Journal, in which the Bank of Upper Canada is made debtor to the United States Bank for this £231 19 7, for those two items. The entry is so, unquestionably; but as the Bank of Upper Canada paid themselves out of the draft to Keefer, Mr. Black had on hand £231 19 7. The question is, does Mr. Black debit himself with it? He does, and for the purpose of making the transaction quite clear, we copy the entries from the cash book kept by Mr. Black. It is necessary that we should remark, that at this time no cash account was kept in the Journal and Leger. The persons who received any amount, were at once made debtor to one of the Banks. Had a cash account been kept, those entries could never have happened. Therefore, whenever money is drawn, which is not appropriated according to the entry on the Journal, reference must be had to this cash book. We are informed Mr. Mackenzie would not look at this book; but Mr. Thorburn at once requested an examination of it.—For copy, see appendix No. 1. The persons who are charged with the amounts in the cash book, are all debited in the petty Leger, as appears upon reference to the folios opposite the sums respectively.

The next amount which Mr. Mackenzie says is not accounted for, is £347 12s 3d, charged George Keefer; and he says the entry of that much to his credit in this folio, is merely to cloak a defalcation, because the amount was never paid to the persons mentioned. This is true, it never was paid those persons, and the money was on hand. The question is, does any one debit himself with it? Mr. Black does—and in order to shew that he does, we have copied the different entries from the cash book. See appendix No. 2. The whole of the sum is accounted for which is charged George Keefer, and therefore it is right that Mr. Keefer should have credit for it.

Mr. Mackenzie also says, that Johnston Orr is charged with £25 he never had. This is incorrect: he had two sums of £25 each, one paid by Mr. Black, and the other through Mr. Merritt, from the money charged George Keefer, and therefore correctly charged. On the Journal, where the entry was made reversing the £2,300 before spoken of, Mr. Keefer had credit for the whole £600 in one sum, but in the petty Leger and cash book, it is divided thus:

1st credit,.....	£513 12 6
2nd credit,.....	86 7 6
	£600 0 0

The £86 7 6 is thus paid. Mr. Merritt paid it, though charged to Keefer:

Nehemiah Robb, petty leger, folio 48...	£16 7 6
Daily,.....69...	20 0 0
Johnston Orr,.....122...	25 0 0
Mr. Merritt, on account of Ratcliffe, 33...	25 0 0
	£86 7 6

Johnston Orr, had this amount, and other £25 before charged.

Folio 238, Fitz Gerald's account is £3 7 5, and posted £3 9 2.

Folio 238, James Cain's account, £3 0 9, posted £3 0 11.

Folio 238, Michael Cain's account, £6 2 3, posted £6 2 5.

Folio 239, £7 8 6 credited Rose is right, because it was deducted from his estimate. The estimate was £89 15 7, and posted £82 6 1; folio 275, Leger.

Folio 239, £5 to Nehemiah Robb, the same as the last.

Folio 239, £25 to J. Clark, requires but a single entry, because it was before credited him, folio 226, as cash, being handed to him by Mr. Black, Sanderson was charged with it.

Folio 239, £24 1s has been paid twice to John Toyne & Co. in consequence of Mr. Slate not posting the amount.

Folio 242, F. Ramsey's account, £5 1s. posted £5 1s 6d.

Folio 250, A. Macdonell is debited £1,500, and credited £968 13s 4d. The latter sum is not posted at all. By order of the Board, this amount was remitted out of the Toll; therefore should be charged to interest account; otherwise it shows too much balance, though it makes no difference in the balance sheet.

Folio 257, 258, there is a variety of entries made by John Callaghan, connected with the Toll of 1833, received after November in that year, and which did not form any part of return to the Legislature of that year. Respecting these entries, it will be necessary to examine them more particularly, and to make a supplementary Report.

Folio 289, £31 5s interest, which Mr. Mackenzie thinks is a part of some private transaction of Mr. Merritt's is not. The sum is, however, not correctly charged to interest, because it was charged before, in folio 288, £34 0 5d. The error is owing to the account from the Bank specifying the wrong bill: the dates being wrong in Mr. Ridout's letter, caused the book-keeper to suppose it was a different bill, and therefore gave rise to the two entries.

Folio 257, £50 charged to Mr. Thomas Merritt, is not posted. This is an error of Mr. Callaghan. The money was paid him, and the erasure made of it is wrong. It could be no benefit to any one, of course, except Mr. Thomas Merritt. For a proper explanation of it, we have sent for Mr. Callaghan, and have attached an Affidavit of his, to this Report.

Folio 384 of the Leger, Wm. Braly stands charged with £2 5s. He should be credited with the same amount from the estimate, which has never been done.

This examination of the books brings us to the close of 1834, where we end it. There appears NO DEFALCATION WHATEVER. The errors mentioned, we should recommend to be corrected, and the proper amounts charged.

We next compared the estimates and the extension of the accounts; and in order that they be clearly understood we have made a debit and credit of the whole, as appears from No. 3. Appendix.

We would also remark upon the manner of the keeping of the books and accounts, respecting the petty Leger. The Journal and great Leger appear to have been kept by crediting the full amount of the different estimates to the different persons, and then making these different persons debtor for the full amount, to some of the Banks. The money, in very few instances, has been paid to the full amount of the estimate, in one sum, but in small amounts; and therefore, the former Secretary, Mr. Black, introduced the system of keeping these accounts in a petty leger showing all the different payments—this system is certainly a very good one, in order to save writing in the Journal and great Leger; and when the accounts are correctly kept, both the great and petty Legers will show the same balances—though in one, the amount is in aggregate, and in the other, in detail. Upon comparing them we have found no essential variation. Mr. Black, also, kept a cash book, which, in consequence of the paying the different estimates in small sums, was absolutely necessary; and it became doubly necessary for him to do so, in consequence of no cash account having been kept in the Journal. We observe, that since Jan'y 1834, a cash account is kept in the Journal, which is certainly far the preferable method, and such errors as we observed in 1832, 1833, cannot now happen.

It should be borne in mind, that very few corporations are subject to keep such a variety of accounts. For the want of sufficient means, they have been obliged, at different times, to issue notes—then re-paying them at a future period; and of transferring and making a great variety of entries to the debit of the contractors, and credit of workmen, in order to satisfy the workmen, and discharge the contractors from so many of their debts, that it rendered their accounts varied and complicated; nevertheless, the result is, to leave the officers of the Company free from all imputation.

We have also compared the returns made to the Legislature for 1831, 1832, 1833, 1834, and find them to agree with the books, with the exception of 1834, in which there is a trifling error to correct.

J. T. BOWERY,
ROBERT E. BURNS.

St. Catharines, January 4th, 1836.

APPENDIX—No. I.

1831.	£	s.	d.
June 18—To Cash on hand.....	366	4	8
Carried forward.....	366	4	8

1831.	Page.	£	s.	d.
June 18—Sixsmith & Co., paid reserve on estimate.....	123	10	0	0
Squire & Co., paid W. Murray, bal.	3	24	17	1
Moore & Dyer, advance.....	89	15	0	0
Crague & Boyle, reserve.....	80	10	0	0
Do. retained from them, per T. M. and now paid them. £3 0 0 0 7 10 1 13 5 0 10 0	80	5	11	3
John Sinclair, advance.....	80	5	0	0
Carried forward.....		70	8	4

	£	s.	d.
Brought forward.....	366	4	8
June 19—Retained from payment, intended to be made to Bank, 18, Int. 180 0 0 Bal. 51 19 7	231	19	7
M'Millan & Co. received M'Vay.....	1	14	3
Carried forward.....	599	18	6

	Page.	£	s.	d.
Brought forward.....		70	8	4
June 28—Paid G. Keefer, for Crague and Boyle.....	80	2	5	0
Ditto ditto.....	80	1	7	6
Turner Parasol..	55	1	8	4
Moore & Dyer...	89	1	7	6
James Danough..	90	8	5	0
S. St. John 55 12 9	6	40	19	5
Galbraith, 58 5 3	135	2	12	6
Contingencies, paid Dyer.....	131	6	13	7
Galbraith, paid Shaw	135	2	4	7
Ditto ditto.....	135	4	0	0
J. Turner, S. Millard... 0 14 0 Ditto... 0 7 6 Ditto... 0 10 10	55	1	12	4
David Thompson, estimate.....	89	2	16	1
J. Turner, W. Bell	55	15	0	0
Andrew Thompson, estimate.....	83	4	12	1
W. Murray, estimate. 142 19 4 Do by T. Merritt 15 7 9	34	127	11	7
J. Turner, S. R. Squier.....	55	73	0	10
R. Fluellan, paid Squier.. 6 2 6 Do. do.... 3 2 6	55	9	5	0
Crague & Boyle, paid Hayward..	80	6	0	0
Contingencies, p'd Macy & Co., per J. C.....	131	11	9	9
Toll paid Mr. Clark on account Monson.....	139	1	8	1½
J. Turner, p'd Robert Shore.....	55	1	5	0
Ditto W. Coughy.		3	7	6
Ditto James Danough. 2 3 10 Do. do.. 0 12 8	55	2	16	6
R. Buchanan, paid Monson.....	122	3	15	0
J. Turner, McCraney.....	55	0	11	7
Ditto ditto.....	55	2	5	0
Ditto, W. Daly...	55	17	4	1
Ditto, R. Fluellan.	55	4	11	10
Ditto, ditto ..	55	0	10	0
T. Turner, D. Burn	55	2	3	10
Ditto, ditto.....	55	0	17	6
Ditto, R. Fluellan.	55	2	17	8
Ditto, J. Cornfitt.	138	0	9	2
Ditto, C. Bradley, paid J. Boyle...	138	10	0	0
Ditto, G. M'Lellan	138	2	10	0
Carried forward.....		449	12	2½

	£	s.	d.
Brought forward.....	599	18	6
B. F.....	43	19	11½
	599	18	6

	Page.	£	s.	d.
Brought forward.....		449	12	2½
John Soper, real estate, paid W. H. Merritt.....	130	12	10	0
June 21—R. Buchanan—Est. 53 0 6				
Advanced Monson.. 3 15 0				
Reserve 12 10 0				
——— 16 5 0	122	36	15	6
June 21—J. Turner, J. Shore	138	4	5	0
Ditto, Wm. Shore	138	1	7	8
Ditto, Pat. Dulart.	138	2	9	7
J. Hurst.....	47	23	10	10
J. Turner, Hurst & Co.....	138	17	2	7½
Ditto, D. Donevan	138	1	6	7
Ditto, ditto.....	138	1	10	0
Ditto, F. M'Donald	138	2	12	0
Ditto, W. Donelly.	138	2	16	7
M'Micking, draft. 9 8 5½				
25×5=125				
1×4= 4				
5×1= 5				
$134 33 10 0				
Charge.... 1 1 6	C.F.	43	19	11½
		£599	18	6

Compared by F. Hall, Jan. 12, 1836.

APPENDIX—No. II.

1832.	Page.	£	s.	d.
Brought forward.....		1,663	16	8½
June 11—Bank of U. Canada on account of claims as under :				
Shotwell 1 5 0	3			
P. Carl 5 0 0	10			
R Brown 1 15 0	39			
Sheriff 44 12 0	39			
J Burger 45 0 0	75			
A. Marr 250 0 0	143			
		347	12	3
June 18—United States Bank		2,300	0	0
W. H. Merritt—see opposite....		125	0	0
Carried forward.....		£4,436	8	11½

1832.	Page.	£	s.	d.
Brought forward.....		1,525	1	1½
June 11—C. Rose, paid T. Merritt.....	106	8	18	9
Robert Buchanan, paid Northrup..	73	31	10	0
Ditto, Loan, £50.	73	6	3	5
Hannah & Donovan.....	132	7	8	0
June 12—Buck & Callaghan	28	1	5	5
June 13—Simpson & Allan.	109	2	15	0
June 14—F. Galbraith, paid W. Tench, [per W. H. Merritt's order.....	83	25	0	0
Simpson & Allan.	109	9	13	0
John Clark.....	80	2	15	0
Contingencies paid W. H. M.....	81	2	17	6
Buck & Callaghan	28	25	0	0
June 15—J. & J. Hurst....	104	63	7	10
J. Hellems.....	116	5	13	2
Carried forward.....		1,717	7	5½

	Page.	£	s.	d.		Page.	£	s.	d.
Brought forward.....		4,436	8	11½	Brought forward.....		1,717	7	5½
					June 18—R. Campbell, paid Reach.....	32	3	15	0
					Lewis & Co. Lock, per W. H. M. 200	11	50	0	0
					G. Keefer, p'd him Orderly bill....	37	5	5	0
					Wood & Cleaveland.....	96	10	0	0
					June 19—Lewis & Co. on Locks.....	11	50	0	0
					William Orderly..	72	100	0	0
					John Donaldson..	51	250	0	0
					John Pascoe, per G. Keefer.....	142	125	0	0
					W. H. Merritt, order to Pellen—see opposite....		125	0	0
					Lewis, Garrison & Little, sect. 15..	11	25	1	3
					Do. on sects. 12 & 13, G. Keefer...	89	250	0	0
					Love Newlove...	58	232	17	0
					Thomas Merritt..	67	200	0	0
					Craig & Boyle...	49	49	0	0
					J. B. Yates.....	49	300	0	0
					Alexr. Macdonell.	55	2	10	0
					Bank of U. Canada	38	35	3	3
					Geo. Keefer, Jun.	89	513	12	6
					Geo. Keefer, claims paid R. Brown..	39	44	12	3
							4,090	4	5½
					Cash on hand....		346	4	6
		4,436	8	11½			£4,436	8	11½

The sum of £346 4s. 6d. is carried on, and accounted for.

Compared by F. Hall, Jan. 12, 1836

APPENDIX—No. III

That on examination of the Estimates, from December, 1831, to the end of 1834, we find the following errors—which we would recommend to your Board to have carried to the respective accounts.

	$	cts.	Dr. $	cts.	Cr. $	cts.
David Thompson—In Estimate of Feb. 1832, is over-credited 100 yards of excavation, at 14 cents.....	14	00				
In Estimate of July, 1833, is over-credited on 687 yards of embankment.....	1	00	15	00		
Love Newlove—In Estimate of Feb. 1832, is short credited on 10 yards excavation, at 13 cents.....					1	30
Louis Constantine—In Estimate of Feb. 1832, is over-credited.....			4	25		
Jacob Turner—In Estimate of March, 1832, is credited $391 42; Bill only $390 22.....	1	20				
Ditto $499 52; ditto $498 46.....	1	06				
Ditto $52 08; ditto $52.....	00	08				
Carried forward.....	$2	34	$19	25	$1	30

	$ cts.	$ cts.	$ cts.
Brought forward	2 34	19 25	1 30
In Estimate of November, 1832, is credited $195 93; bill $193 32.	2 61		
Ditto $18 80; ditto $18 25	0 55		
	5 50		
In Estimate of March, 1832, is credited $33 56; bill $33 81..$0 25			
In Estimate of Nov. 1832, is credited $218 85; bill $219 90.. 1 05			
	1 30	4 20	
Richard Fluellan—In Estimate of March, 1832, is credited $64 23; bill $64 17		0 06	
John Boyle—In Estimate of March, 1832, is credited $81 89; bill $81 94	0 05		
Ditto $114 53; ditto $114 60	0 07		
In Estimate of April, 1832, short credited on 46 yards puddling	0 80		
Ditto on 471 yards, at Lock No. 21	10 00		
	10 92		
Over-credited Scowing Piles; bill only $18, and extended $28 50..	10 50		
			0 42
William O'Brien—In Estimate of March, 1832, is credited $11 30; bill $11 50			0 20
J. Sinclair—In Estimate of March, 1832. This sum was twice added to his credit		25 76	
J. R. Squiers—In Estimate of November, 1832, is credited $72; bill $72 55			0 55
Horner & Hanley—In Estimate of November, 1832, is credited, bill for labour, 146½ days at 90 cents ₱ day; their bill is only for 76½ days—difference		63 00	
David Flemming—In estimate of November, 1832, is credited $82 80; bill $82 90	0 10		
Ditto $25 50; bill $21 50	4 00		
		3 90	
R. Hannah—In Estimate of April, 1834, is short credited on 775 days board, at 29 cents ₱ day. Amount of, $224 75; to his credit, $124 75			100 00
John Toyne & Co.—In Estimate of April, 1834, is short credited on 1,011 yards, at 15 cents			0 09
H. Sloan—In Estimate of April, 1834, is over-credited on 2,052 yards, at 15 cents		10 00	
Joseph Burger—In Estimate of April, 1834, is short-credited on 227 yards excavation, at 15 cents			4 00
E. M'Arthur & Co.—In Estimate of April, 1834, is short-credited on 45½ cords stone			5 00
John Shore—In Estimate of April, 1834, is short-credited on 176 yards, at 12½ cents	0 87½		
Ditto, 112 ditto, at 15 cents	0 30		
Ditto, 159 ditto, at 25 cents	2 00		
	3 17½		
In Estimate of June, 1834, is over-credited $30 05; extended $30 50	0 45		
			2 72½
John Mosier—In Estimate of June, 1834, over-credited on blacksmith work, bill for £2, N. Y., and extended £2 currency		3 00	
John Moore—In Estimate of June, 1834, over-credited on G. Wright's bill—the same was for £1 13s. N. Y., and extended £1 13s. c'y	2 48		
Short-credited on bill for repairing bridges—see Estimate of September, 1834	0 60		
		1 88	
C. Hellems—In Estimate of August, 1834, short-credited on bill of labour, 1st June			1 84
John Hellems—In Estimate of August, 1834, is short-credited on his bill for sundry materials			3 01
Bartley Boyle—In Estimate of May, 1834, is short-credited on 13½ days work, at 5s. 6d. N. Y. ₱ day			0 82
Total		$131 05	$119 95½

Compared by F. HALL, Jan. 12, 1836.

(Copy.)

MR. CALLAGHAN'S AFFIDAVIT.

Having been called on by Messrs- Bowery & Burns, the persons employed to examine the Books and Accounts of the Welland Canal Company, and to point out how an error, by erasing from the Dr. side of Thomas Merritt, contractor's account with the said Company, for the sum of £50, bearing date Dec. 1833, and duly posted to the Cash Journal from the Toll Leger, had been effected, the entries at that time being made by me—I now affirm, having no hesitation whatever, that the erasure in question was effected by me, from the following circumstances, viz.:—

Some time after posting the above entry—it may be the spring following—I cannot say at what particular day or date, after I observed two entries, as appears on Toll Leger, page 69, bearing the same date to the debit of Thomas Merritt, contractor, which appeared not correct; I consequently inquired of the Secretary, Mr. Clark, if he had any recollection of paying T. Merritt, on or about 16th Nov. two sums of £50 each: to the best of my knowledge, Mr. Clark informed me he had not; on referring to the Leger account, I there found £131 4s. 10d. charged as payments made from Tolls to T. Merritt, in which amount I considered the £50 in question had been included, and consequently considered the entry of £50, after closing the account, and now erased, to be an overcharge, and under such impression, I made the erasure in question—erroneously, without the interference of any person whatever.

(Signed) JOHN CALLAGHAN.

Sworn before me at St. Catharines this 6th day of Jan. 1836.

GEO. RYKERT,

A Commissioner for taking Affidavits in the K.B.N.D.

Compared by F. Hall, 12th January, 1836.

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337. Charge No. 30 relates to important original documents, such as accounts, estimates, and receipts, said to be missing—What have you to state concerning them?—I am very sorry to have to state that the detailed estimates, and other important accounts are in many cases not carefully kept for reference. The original estimate, (a document, answering to the parliamentary supply bill,) for December 1831, is missing, the amount being £2542 13s. 7d. I wrote Mr. Turquand that the minutes mentioned its having been sent to Mr. President Dunn, to which he replied as follows:

Toronto, 1st *September*, 1835.

Dear Sir,

Mr. Dunn desires me to say, that all papers submitted to him as late President of the Welland Canal, were transmitted to the Company's office at St. Catharines, where he has no doubt the Estimate in question will be found.

I remain &c.

B. TURQUAND.

W. L. Mackenzie, Esq.
&c. &c. Toronto.

The grand estimate of Nov., 1832, amounting to £28,000 and upwards had been missing for years, all but a few leaves at the end containing the expenditure in detail of about £3000 of it. A pretended copy has been entered in an estimate book, but when I began to analyze it I found many errors, additions, and crossings out; in fact their clerk, Beaton, admitted to me, after I had shewn it to him, that after my first examination he had added an item to it, but from what source, in the absence of the true document, shewing the official signatures of the officers, he did not tell me. In the few leaves that remained of the original, I found errors of $100, in a page, through Mr. Keefer the engineer's carelessness and neglect. So utterly neglectful was the Board of their most ordinary rules, that on a reference to the minutes, of Feb. 1833, the time at which the estimate of Nov. 1832, for £28,000 was adopted, I found that they had not even entered the amount of the money grant or credit vote, although it was perhaps, the largest estimate ever voted, and there had been no monthly estimates for several months previous.

So careless are the officers that the following is a literal copy of an entry in the minutes, afterwards approved by the Board:—

From the Minutes of 1832, *page* 169.

"Resolved 2nd. The best proposals for tending the locks for the ensuing year were from

[Here was left, and there still remains, a large blank space.]

"Resolved that agreement be entered into with them accordingly."

Next meeting, 1st March, 1832, I ascertained that "the minutes were read and confirmed."

I asked the clerk, what an entry like this (which was if I remember right, in Mr. Clark's handwriting,) meant, and what was to be learnt by the record of their confirming a series of appointments in blank, but he could not inform me.

When I was desirous to refer to deeds, leases, and other important papers of the Company, I found them often missing—others lay loose in an open press in the most exposed condition possible. To introduce a more regular system I moved the Board last August for a standing order.

"Ordered That the Secretary be required to enter all deeds leases, and conveyances of real estate, and of water privileges, in a book to be kept for that purpose, immediately after they shall have been executed, as also those already executed, and all mortgages to or from the Company, or any other incumbrances affecting such water privileges or real estate, and that all such documents be placed in charge of the Secretary."—

The order was made but never acted upon, although a book was immediately purchased for the purpose.

On an examination of the deeds I find that the officers can trace no conveyance as having been made by Mr. Merritt for the mill and property for which he received many years ago £630 and £678 from the funds of the Company. The Secretary Mr. Clark says he has never seen any such deed. Mr. Merritt was not entitled to any remuneration until he had given a deed to the Company, and it ought to be in the Secretary's possession, for that is the standing order.

There is a payment marked in the Company's books of £75 to T. Brackbill for 100 acres for the canal use but I can find no deed nor other papers.

The Secretary thinks he left the vouchers at St. Catharines of some of the payments on land, and states that the remainder of them are in the possession of the arbitrators. I wished to compare these documents last summer with the large sums charged as expenditures on awards but never could get possession of a single voucher, Brackbill's payment was made to the 10th of February 1827, and is entered in page 103 of the Leger.

From 150 to 200 acres of valuable lands in Thorold (at *Robinson* I believe,) was purchased from John Carl. The Company says he has no deed for any such property, and whether there is any such deed, or whether it is or is not recorded, I have not been informed. I see that £625 and *another* large payment of money has been made to Carl. This should be enquired into. The additional sum paid Carl is £123, but I find no deed for it.

The Secretary has in his possession the deeds of Jesse Wilson, Rev. Mr. Harris, Parmelia Rykert, Frederick Bouke, John & George Shiner, and Conrad Wells, Jacob Dittrick, David Price, Smith Shotwell, Adam Gould, John Clendenon, Sam'l Swayze, George Marlatt, Jacob Jonathan and Michael Silverthorn, Robert Brown, John Brown, Francis Goring Parnell, Elijah Shotwell, Jacob Bowman Jacob Tenbrook, Bartholemew Tench, Oliver Phelps (Moulton,) Alem Marr, John & Philip Shaver, Garret Vanderburgh, Major Gen. Darling, and William Crooks, *not one of which appear to be recorded in the Register Office of the District*, although it is important that they should be so, as many of the transactions are of old date, and the parties dead in some cases and absent in others.

There are a few deeds recorded, and only a few.

£615 have been paid to George Adams Esq. so far back as 1827 for 30 acres part of lot between the 4th and 5th Concessions of Grantham. Surely Mr. Adams was not entitled to this money until he gave a deed to the Company. But it was paid him on the 9th of May 1827. As soon as the papers can be had I shall examine them.

And there is a payment of £50 to Luke Carl for 10½ acres in Thorold. Mr. Keefer the Engineer supposed that there is a deed, but the Secretary knows of none although if there is one it ought to be with him and forthcoming.

There has been a purchase made of a small lot of a fourth or a sixth of an acre in St. Catharines, for a canal office. £150 have been paid, but no deed is obtained, nor does there appear to be any good title. Several hundreds of pounds have been expended on a building in which is Mr. M'Donell the lawyer's office, Mr. Merritt's PostOffice, and the Canal Office. I think the purchase money went to one of the Directors, but if it was necessary to build a splendid office for a bankrupt Corporation in 1835, the title of the ground ought first to have been obtained.

Fifty-seven pounds were paid long since to Andrew Wilson for about 23½ acres in Thorold, used for the Canal and its towing paths &c. But no deed appears to have been taken when the money was paid. There are also other £27 at Wilson's credit on an award. Since then Wilson has conveyed his property to George Keefer Senior, whose son states that there is his claim also to be settled.

A deed was produced by the Company's Officers to the Committee last week during Phelps' examination, which I never saw at St. Catharines, and of the existence of which no trace or record is to be found on the Books of the Company, conveying 50 acres of O. Phelps' land, part of lot 12 ninth concession of Grantham, to the Canal Company for the nominal consideration money of £500, not paid nor noted on Journal. It is dated June 8th 1832.

Some proceedings should be had immediately to place the titles of the Company's Lands on a surer footing.

The documents I have asked for which were important and could not be produced by the officers, are very many indeed—accounts, estimates, vouchers, and acknowledgments for money to a vast amount are a missing and no explanation is given. Mr. Phelps' contract for the £5000 Deep Cut job is gone, and the want of it and of some others have caused great inconvenience. $100 is charged for the model of the locks built by Phelps, but although not made of perishable materials Mr. Merritt says it is not forthcoming; another hundred dollars were paid Lewis for the model of his turnbridge—it also is missing. The lock model would have been useful to the Engineers in the present investigation.

The imperfect records at the office rendered it impossible for me to ascertain the cost of keeping Phelps' locks in repair and re-building them. The charges are under a variety of heads, such as general repairs, pumping water, rebuilding locks, excavation of lock pits, embankments, &c. &c.—I made a calculation that $60,000 had been expended in this way, but it is not to be depended on. I included Mr. Robinson's rock outlay in the above sum.

The official estimate of advances on the canal August 1832 is dated "Welland Canal Office 7th August," and amounts to £2239 13 11; it is certified to be correct by Mr. Keefer, Mr. Merritt, Mr. Clark, and approved by the Board and certified—A. McDonell.

It was certified to and approved five days before it was made, for I find that the Board met on the 2nd August *Thursday*, and approved of it!

When you have got a canal document it is often difficult to say whether it is that which it purports to be. The rule respecting efficient security for the fulfilment of contracts having been habitually violated by the agent, with the connivance or consent I presume of the Board, there has been an endless round of taking, resigning, modifying, amending, altering and making of contracts. Nothing is fixed. Experience with the Board, has made no change. Whether the Directors had or had not the command of ample funds this loose and improper course of procedure has obtained. The extract from a letter, and a minute of the Board, annexed hereto, will show that some Directors felt the inconveniences arising from good rules being neglected.

Extract, letter, Joseph Wenham, Esq. to W. H. Merritt, Esq. York, 19th June, 1826:

"Your letter of the 12th inst. has not been received—that of the 15th came safe to hand on Saturday.

"I submitted its contents to the President, who declines the payment in advance of any money, unless by the sanction and au-

thority of the Board, and as a meeting of the Directors will be held so soon, I hope no material inconvenience will be sustained.

"I would remark on this occasion that it is necessary for the sake of regularity, that all Estimates for money on account of work performed should be made out by one and the same individual—and I therefore return Mr. Rykert's Estimate wishing to preserve this order—You will at once be convinced of the propriety of this. It would also be well if the Estimates were made out sufficiently early to admit of a careful examination before submitting them to the Board."

CANAL MINUTE, 10th MAY, 1828.

PRESENT:

Dunn,
Wells,
Robinson,
H. J. Boulton, and
Keefer.

"Resolved,—That the Board will not consider itself bound by any contract which the Agent or Secretary may make until it has received the sanction of the Board."

The following entry on the minutes was agreed to at a meeting of the Board of Directors held at York, on the 26th of Nov. 1833, Messrs. Merritt, Chisholm, and Elliott being present.

"Whereas the Books shew a balance at the Cr. of Hoag and Co. in 1827 of £25 15s. 7d. and at the Cr. of O. Straight in 1828 of 16s., and as it is well known to the President that the sums were paid to the parties—it is

"Ordered,—That the same amounting to £26 11s. 7d. be transferred to the Credit of the Contingent account.

In this instance, the President's recollection and not the cash book is the discharge for £26 of supposed debts. Whence came the money to pay Hoag & Co. if the Books do not shew that they were paid?

338. What proofs have you to offer having reference to the twenty-second item of your letter?—The situation in which the Directors found themselves in the Fall of 1829, and again in the fall of 1832 and the whole of 1833, and in which they now are, can be seen from the canal correspondence and books, and the state of the accounts. When they had money they shamefully jobbed and mismanaged it; when they had not, there was the perpetual plea of "you have gone so far that you surely will not now stop. Give us more of the public money." Although they had but little of their own money in 1833, they never as much as thought of putting their accounts in order, calling on the Secretary and late forwarding agent to square up his accounts and enter all upon the books, but allowed matters to get more and more into confusion Improvident contracts were carelessly made; work was done without much system or regularity; heavy debts were contracted, and the people of Upper Canada paid all. Again there is difficulty, and the cause is apparent—it is want of prudence, economy, and management, for the good of the work. Workmen are again in arrears; Mr. Phelps' wooden locks, are once more in danger of going to pieces; and but for my four numbers of "the Welland Canal" this bankrupt concern would have deluged the colony with bills payable, with interest out of the funds of———"the Welland Canal Company" whose president has petitioned for £2000 to save the Canal from total ruin, and whose officers have given evidence before you that they have neither funds, good debts, money, nor the prospect of it, except from the tolls of next year, a problematical source of revenue, insufficient to pay their next debts and keep the works from breaking down in weak places.

The Bank Directors must have been convinced that the canal management was bad, or they would not have so steadily refused to assist a body by whose operations they must have greatly profitted, having been constituted the Treasurer of the Corporation in 1825.

The situation of the Directors of the Welland Canal, in the early part of 1833, was pitiable in the extreme—the Legislature would not trust them one shilling—the Bank of Upper Canada turned its back upon their entreaties for the smallest pittance—the Governor lent a deaf ear to their prayers—no one would credit them.

(OFFICE COPY.)

At a meeting of the Directors held at St. Catharines, 28th February 1833.

PRESENT:

Alex. McDonell, Esq. *Vice President*,
George Keefer,
Thomas Butler,
Wm. Chisholm,
Wm. Elliott, and
Captain Creighton, } *Esquires*,

Resolved—That the correspondence with the Bank of Upper Canada be recorded on the minutes to shew that every exertion has been made by the Directors to obtain money to meet their engagements and prevent the expenses of litigation which must inevitably follow if money is not provided.

The Board cannot help expressing their surprise that the Directors of the Bank should refuse accomodating the Company with so trifling an amount, after having made so large a sum out of the operations of the Company.

Then they resolved to try to borrow 500*l.*, having failed in getting 2500*l.*

Copy of Letter—Wm. H. Merritt, Esq'r, to Hon. Wm. Allan, dated 28th February, 1833.

WELLAND CANAL OFFICE,
St. Catharines, 28th Feb'y, 1833.

DEAR SIR:

The Directors have been over the line of the canal as well as the Commissioners and I believe they all find it so much better than they anticipated, from the many misrepresentations, that matters begin to assume their usual aspect along the work. They have signed a note for 500*l.* payable in one year, to keep our creditors—that is, those possessing no means in provisions, until they can have time to apply elsewhere. They would have signed one for 1000*l.*, which would have afforded greater relief, but feared it would be rejected. I should be glad you would mention the circumstance, and if you think we could get it we would send another note for that amount, with which we would be enabled to get on until we procure the loan on the property—a resolution is passed to pay this money out of the first toll collected.

I have the honor to be
Your obedient servant,
WM. H. MERRITT.

HON. WILLIAM ALLAN.

Copy of the Minute of the Board.

"*Resolved*—That the first toll collected on the canal shall be placed in the Bank to redeem a note of hand given by Messrs. McDonell, Chisholm, Elliott, Keefer, Creighton, and Merritt, for the sum of 500*l.* payable in one year."

The Bank of U. Canada was evieently not inclined to trust the Directors.

This was the form of the note:

ST. CATHARINES, 28th *February*, 1833.

£500 *C'y.*

One year after date we or either of us promise to pay to the President and Directors of the Bank of Upper Canada

the sum of Five Hundred Pounds Currency, value received, with interest.

(Signed) W. H. MERRITT,
A. McDONELL,
O. CREIGHTON,
W. CHISHOLM,
W. ELLIOTT, and
GEORGE KEEFER.

Mr. Ridout's answer, dated the 7th of March, and addressed to Mr. Merritt, stated that the Bank of Upper Canada were at that time under the necessity of restricting their discounts, and could not therefore discount a £500 note drawn at so long a date, and he therefore returned it to Mr. Merritt.

On the same year the Canal Board endeavored to get the British Government to relinquish the debt due to it by the Welland Canal Company, but met with very indifferent success.

The following is a copy of Secretary Lord Stanley's reply to their application :

No. 42. DOWNING STREET,
27th November, 1833.

SIR :

I have the honor to acknowledge the receipt of your despatch No. 64, of the 22nd Sept. last enclosing a memorial from the Stockholders of the Welland Canal, praying that His Majesty will conduce to the improvement of the navigation of the canal, by relinquishing the debt due to Government by the Company, or by granting a sum equal to one-ninth of the actual expenditure incurred in forming the canal, in conformity with the proposal of His Majesty's Government in the year 1826.

In reply I have to request that you will acquaint the memorialists that I do not feel myself at liberty to recommend a compliance with their application.

I have the honor to be, &c.
E. G. STANLEY.

Major General
SIR JOHN COLBORNE, K. C. B.
&c. &c. &c.

Copy of Letter—Thomas G. Ridout, Esq. to W. H. Merritt, Esquire, of 12th December, 1834.

BANK OF UPPER CANADA,
Toronto, 12th Dec'r, 1834.

WM. HAMILTON MERRITT, Esq.
St. Catharines,

SIR :

Finding that your last check for 1000*l.* of the Welland Canal money was negotiated through the Agricultural Bank, which enables them to substitute their own notes, and to call upon us for specie—I am desired to request you will inform me or Mr. M'Cormick at Niagara when you intend to draw out the remainder of the Welland Canal funds lodged in this Bank—and if it is your intention to negotiate it when so drawn in the same way ; as it is necessary for this Bank to be prepared to meet such unexpected demands. Perhaps, however, when you gave the above check you were not aware that it would be immediately converted into specie—although it had no doubt the effect of preventing the circulation of our notes.

I remain, Sir,
Your obedient servant,
THO'S G. RIDOUT, *Cashier.*

Copy of Letter—John Clark, Esquire, to Wm. H. Merritt, Esquire, dated 20th December, 1834.

WELLAND CANAL OFFICE,
St. Catharines, 20th Dec. 1834.

SIR :

In reference to Mr. Ridout's letter to you on the subject of the last cheque drawn on the Bank of Upper Canada for 1000*l.* I beg leave to explain that (without the slightest understanding that this cheque was to be negotiated through the Agricultural Bank) I took the opportunity of handing the cheque to Mr. Taylor, whose son was going to Niagara—requesting him to draw the money for me from Mr. M'Cormick and bring it up. In the first instance the cheque was not paid on account of my having omitted to countersign the same, which caused delay, and to meet the immediate demands I borrowed 100*l.* from Mr. Taylor, and in my absence from the office Mr. Taylor, without my sanction or consent, paid over to the young man in charge, 400*l.*, making in all 500*l.* of Agricultural Bank money, which Mr. Taylor retained out of the cheque, and paid me 500*l.* in Bank of Upper Canada money for the balance. I have ever been particular not to exchange the Bank of Upper Canada money for that of any other monied institution.

When the Company may require the money now due them by the Bank of Upper Canada Bank I cannot exactly say—but suppose 1000*l.* per month may be required after the 1st of January next, to carry on the work contracted for.

I have the honor to be, Sir,
Your obedient servant,
JOHN CLARK,
Secretary W. C. Co.

To WM. H. MERRITT, Esquire,
President Welland Canal Company.

The case of Lewis Garrison & Co. is an apt illustration of the impropriety of the course taken by the Canal Board. They were paid 505*l.* 11s 5d in full of all demands when one of the partners, or two of them, were in jail. The bills of costs against them by lawyers almost exceed belief, and after they had signed the receipt I annex to these remarks the Board had to reconsider their case and award them 300*l.* and another large sum, the amount of which I do not now remember. Their letters complain much of the engineers, but whether they had cause I know not.

"Received from the Welland Canal Company the sum of Five Hundred and Ninety-five Pounds Eleven Shillings and Five Pence Currency, being in full of all demands of whatever nature or description we have against the said Company.

MARSHALL LEWIS,
J. W. GARRISON,
JAMES LITTLE.

Witness,
ALEXANDER STEWART.
St. Catharines, 11th May, 1833.

I think that with prudent management of money and work the Welland Canal would have been good and profitable stock. As it was managed there was a necessity to resort to many shifts.—Hence it is I account for the allowance of 1 1-2 per cent to Mr. Walker of Quebec for collecting the stock instalments, and 1 per cent to Yates & Co. for the same service ; hence also for the 1 per cent by Mr. Yates (for which 500*l.* by the way there is no voucher) for getting a bill discounted endorsed by Upper Canada; and for Mr. Walker's 1-2 per cent for remitting the Lower Canada Government Stock of 25,000*l.*, a service which cost him no trouble whatever.

339. What have you to offer to this committee in support of of charge No. 26 ?—It is, "that in the case of the Steam Dredge, "and others very similar to it, extravagant charges have been "made against the Company and paid from its funds under suspi- "cious circumstances ;" and some of the evidences in support of it will appear more appropriately under other heads, as involving false entries, extravagance, &c.

Reminding the committee of the fact admitted by Mr. Yates in his letter to the Speaker, that he has long enjoyed the nomination of a majority of the Canal Board, and consequently influenced its deliberations, and the appointments and proceedings of its officers, I would beg to state that in page 271 of the Cash Journal I found that money had been drawn from the Bank of Upper Canada (a fictitious entry, as are most of them) to pay "Elam Lynds & Co's bill of costs" of a steam dredging machine 718*l.* 10s.

On referring to the vouchers, copy of which I annex, I ascertained that 718*l.* 10s. had been paid to Mr. Yates at St. Catharines on the 9th of June 1834 ; that an error of $10 in the addition had been discovered, and admitted in the account as overpaid "11th June 1834;" that the $10 had not been afterwards charged to Mr. Yates ; that on comparing the charge with the next page of the minutes about $30 dollars of the same account was charged as if it had been paid to Mr. Yates over again,

which it was not; that Mr. Yates was in St. Catharines when he got the money; that there was nothing to shew that he had advanced the money in the United States; and that although the specie could have been obtained within twenty-four hours at that season by sending a check to Toronto, and immediately changed at Buffalo for "States notes" at an expense to the Company of about ten dollars, Mr. Yates charged and received $110, or 4 per cent as discount on Upper Canada Bank Notes.

Mr. Yates wrote and published a large edition of a pamphlet in 1834 at Chittenengo, New York, relative to the grievances of the Welland Canal, and puffing that work—these he brought to St. Catharines for distribution, and was paid about 20*l.* for them out of the Company's funds, which sum is charged as "by order of the Board."

Next page the same 20*l.* is charged once more as if it had been paid him over again!

A few pages on in the Cash Journal it is charged as if it had been paid a third time!

Mr. Yates was only once paid, and was then overpaid. I find they have corrected the third 20*l.* as an error. I asked Mr. Clark, who had received the second 20*l.*, seeing it was charged as having been drawn out of the Bank?—He replied that that was a mistake!

This 20*l.* (I omit fractions) is also charged twice in the balance sheet of 1834, laid before the Legislature, and also other $10 on the dredge itself, which the Board had taken off, as may be seen by their minutes.

The most important part of the history of Mr. Yates' Steam Dredge is to come. He professed to have purchased it from some persons in the States near his own place; who were to warrant its efficiency, and so forth. The Dredge was soon set up; but although the duties were forgiven by the Governor, it had cost when ready to go into operation, 834*l.* 2s 6d, as per annexed account. When set in motion it was found to be entirely powerless and useless; Mr. Yates had his money; and the Company, in order to get theirs back again advertised the Dredge and apparatus for sale by auction, when I was at St. Catharines. No bidder appeared, but afterwards a person spoke of giving 75*l.* if he got a long credit. In short the whole affair is a dead loss, and a fair specimen of Mr. Yates' management by his nominees. Mr. Leys has already informed you that the machine is of no use for a Dredge because it has scarcely any power; and the *Sir Walter Scott*, which Mr. Hamilton Merritt, for himself and the other proprietors, wished to turn into two thousand dollars of the funds of the canal, last fall, was also unfit for the purpose. The *Sir Walter* was an entire failure as a boat, and the apparatus of the other Dredge and the engine of the Sir Walter were unsuitable. As to the puffing pamphlets, I find 29*l.* 6s. charged by Leavenworth for a second edition of them, so that they must have cost in all nearly $200 to the Company, and Mr. Thomas Dalton had a charge for pamphlets, which were possibly the third edition.—The latter gentleman writes very feelingly on his claims, as may be seen by the following letter, but the exact nature of his demand on Mr. Yates is not so well defined as it might be. I add to it his (Mr. Dalton's) explanations, and that of Mr. Merritt, taken from the *Patriot*, published by the former.

The cases of the Schooner *Peacock*, the Steamer *Caroline*, the boat *Chief Justice*, Merritt's vouchers for mill expenditure, Keefer's timber, Merritt's Berm Bank, with Rose, the 34 locks, and many more that might be quoted, are of the same class, and the public are the losers: I even question whether it is legal for a Canadian Company to hold shares in an American Steamer.

I submit Messrs. Bush & Shepard's account:

"Mr. Clark will pay Mr. Bush,.....$1500
Less 150 to pay Capt. of Caroline,... 155

$1345

——£336 5 0

Taking his receipt for the $1500 in full for one-half of the *Steamer Caroline* as per agreement.

W. H. MERRITT.

St. Catharines, 21*st June*, 1834.

"Received of the Secretary Welland Canal Company the sum of 375*l.* or Fifteen Hundred Dollars on account of William Hamilton Merritt, Esquire, being in full for one-half of the Steamboat Caroline as per agreement.

ROBERT W. BUSH,
For BUSH & SHEPARD."

St. Catharines, 23rd *June*, 1834.

(Copy of account in Mr. Yates' hand writing.)

WELLAND CANAL, *Dr.*

Dredging Machine and Steam Engine,...	$2177 08
Exchange 4 per cent,.....	87 08
Boats for the same,.....	500 00
Exchange on the same (4 per cent,).....	20 00
	$2784 16
Expenses incurred in bringing the Dredge in.....	
Printing pamphlets, W. C.,.....	76 75
Exchange 4 per cent,.....	3 09
	$2874 00
Error in addition $10 overpaid to Mr. Yates —charge the same 11th,.....	$2864 00

Approved,

W. H. M.

June 1834.

J. CLARK,

Received the above sum,

St. Catharines, *June* 9, 1834.

J. B. YATES.

NOTICE.

STEAM ENGINE, DREDGING MACHINE, AND SCOW,

FOR SALE at PUBLIC AUCTION on Monday the 31st August, instant, at St. Catharines, at the Welland Canal Office. The Engine is now at Indiana, Grand River, and will be here on or before the day of sale—all well. *Now at St. Catharines.*

Those desiring to possess property of this description will have an opportunity to inspect the same.—Reference given to Mr. JOHN JACKSON, Engineer, Grand River, and Mr. MURRAY, Indiana, who is in charge of the same. It is a rotary motion engine, sold to the Company for a *Twelve Horse Power Engine;* has cost near seven hundred and fifty pounds, and those competent to judge say it can be most advantageously employed on any light kind of machinery.

By order of the Board.

JOHN CLARK,
Secretary.

Welland Canal Office,
St. Catharines, 7th August, 1835.

Sale postponed until Saturday, 5th day of Sept..

THE DREDGING MACHINE ACCOUNT.

Dredging Machine & Steam Engine,...	$2177	08			
Exchange, 4 ℔ cent,	87	08			
Boats for the same,..	500	00			
Exchange on the same,.....	20	00			
	$2784	16 No. 1.	£696	1	0
Bill of expenses for bringing Dredging Machine and boats,	238	67 No. 2.	59	13	4
Board bill to T. Reid,	8	00 No. 3.	2	0	0
Paid for nails,.....	.....	No. 4.	0	2	6
W. C. Hay for repairs,.....	75	62 No. –.	18	18	1
James Scott, labor on Dredge,.....	10	50 No. 6.	2	12	6
Thomas Reid,.....	19	78 No. 7.	4	18	4
Leather and tallow, .	12	03	3	0	2
Boarding hands,.....	.....		1	8	1
W. C. Hay for alterations,.....	.....		18	18	1
Do Do.....	152	50.....	38	2	6
			£845	15	2
			18	18	1
			$26	17	1
Vandewalker & Best for 19 days each,			7	5	5
			£834	2	6

340. What have you to adduce in support of charge No. 23?—

TORONTO, April 29, 1835.

DEAR SIR,

"*What thou doest do quickly,*" is an old, and when observed, an invaluable saying. It often happening that the value of a favor is to be estimated more by the promptitude with which it is bestowed than by its intrinsic amount, as it has been well remarked that "*a stitch in time saves nine,*" and "*hope deferred maketh the heart sick.*" These wise saws will remind you that I am living in expectation of getting some payment from the Canal Company agreeably to your kind promise, and to the wishes of your estimable friend Mr. Yates. Well you know the struggles the constitutional press of Toronto has to encounter, and there is no present prospect of any mitigation of them. While the Radicals domineer in the House of Assembly, the Tory Press will have but a very sory time of it, since the Government here is too supine and nerveless to do any thing in its aid. You will have seen in our last number [34] a broad hint on this subject. My circumstances being greatly straitened, and demands upon me urgent and imperious, let me entreat of you to take my case into immediate consideration and hand me over the proceeds of your generous determination that I may feed the wolves that beset my habitation.

Norton has been here since the prorogation, and subscribed for the *Patriot*, and what think you of that? And moreover, he confesses that the vote to Mackenzie and O'Grady was a VILE AND SCANDALOUS JOB.

Have you neither advertising nor printing on foot in which the *Patriot* might be a partaker? Let me hear from you soon.

Believe me,
Dear Sir,
Yours truly,
THOMAS DALTON.

WM. H. MERRITT, Esquire,
St. Catharines.

P. S.—I am told there is not a single tavern at St. Catharines or on the whole line of the canal that takes a Toronto paper. Is it not possible for you to influence me some good subscribers? I am sure the *Patriot* is well calculated to open the eyes of the blind. It is working with power where it is read. We will soon have the majority stinking in the land.

[From the Patriot Newspaper, by Mr. Thomas Dalton.]

Now let us see how Mackenzie got hold of our letter. As in private we say what we may not wish to have published, we felt indignant that our letter had appeared in print, not against Mackenzie, knowing that to him such matters are common and familar; (he once gave to the Colonial Office a letter of ours 8 years old) but against Mr. Merritt. We in no pleasant mood wrote him a letter, and the following is his reply.

ST. CATHARINES, 19*th December*, 1836.

DEAR SIR,

In reply to yours of the 17th instant, I have only to say that I deserve every censure for not guarding more strictly against a man of the known character of Mackenzie—the truth is, I have a private box in my desk, in the canal office, where all letters which in any way relate to the canal are filed.—As it contained no papers relating to the company, I never suspected he had *pilfered* my private papers, the key was always left in one of the draws; and he has availed himself of the opportunity to commit this *moral robbery*. The only thing I regret in this expose' is the private correspondence, for which I feel that I am wholly to blame for not being more guarded and keeping the key in my pocket.

I am,
Dear Sir,
Very truly yours,
WM. H. MERRITT.

MR. THOMAS DALTON.

[FROM THE SAME.]

We now explain the cause of our letter to Mr. Merritt. The Session before last we had the pleasure to be introduced to Mr. Yates, the large proprietor of stock in the Welland Canal. Although he had never seen us before he had been a reader of the *Patriot*, and was pleased to compliment us upon the course we had undeviatingly pursued with respect to the Welland Canal.—On a subsequent day, Mr. Yates, in the presence of Mr. Merritt, entered into the subject of the patronage afforded to newspapers both in this country and the States, and appealed to us for information on the subject as regarded this Province; when learning from us the wretched disabilities to which Editors here were subjected, he expressed his astonishment that the respective political parties did not better provide for their organs and champions as was the case in the United States and every other country where the powers of the Press were known and estimated, *and turning to Mr. Merritt he said to the effect that our services had been overlooked and ought to be in some measure compensated, with which Mr. M. concurred, and there was an end of the matter for a year;* when after being so scurvily treated by the House of Assembly, who after all the floggings and squeezing we have given them, remain, and are no doubt determined to remain, in our debt above a hundred pounds for monies laid out and expended, we began to think Mr. Merritt rather tardy, and therefore did we write our "PETITION" as Mackenzie calls it, and got in consequence a very small "DOUCEUR," small indeed if from many pockets, but LARGE enough if from *one* pocket, which we believe it was; from the pocket of Mr. Yates. It was under £20, and for services performed, not to *be* performed, and valued by others, not by ourself.

THE COMMERCIAL BANK.

There is a charge of £30 11 6 for interest on a note of 2000*l.* paid the Commercial Bank, and half per cent. on 10*l.* for usury on the same May 7th, 1834, but there is no entry on the books to shew that the 2,000*l.* was ever received by the Company, or that a shilling of it was applied for its use. Mr. Merritt negotiated the loan, but no part of the transaction appears on the Company's books save the interest and the illegal 10*l.* additional. From the stress laid by Mr Ross, the cashier of the bank here, upon the words "legal interest," the inference seems plain that he contemplates something beyond six per cent. I intend to ask for a summons requesting his attendance before the committee to explain.

COMMERCIAL BANK, M. D. OFFICE,
Toronto, 21st May, 1834.

SIR,

Your favor of the 19th instant, duly came to hand—in reply, it would be quite irregular for this institution to loan monies at legal interest—without some document to shew—either by account or note at ——— days date—and which would be submitted to the Board for their decision.

I remain,
Your obedient servant,
JOHN ROSS,
Cashier.

WM. H. MERRITT, Esq.
St. Catharines.

Mr. Boulton's mission to New York, so far as I have been able to understand it, was a journey as far as the canal was concerned which related to that which could have been just as well transacted by letter—he charged 100*l.* for it. The payment to Mr. Yates of 500*l.* sterling or 555*l.* currency for a trip from New York to London was another useless item of charge, but not so bad as Mr. Yates' charge of 500*l.* for his trip to Philadelphia to get the note discounted. I was always of opinion that only 100*l.* had been paid to Mr. Berczy for his two trips to Quebec, as the first time he went he had business of his own to Lower Canada, but I find he had $90 for that journey and $400 for the next from the canal funds, although he did no service whatever to the Company.

It appears from the following letters that 3 and 4 per cent. premium were charged at Toronto in March, April, and May 1834, for drafts on New York, and Captain Creighton charges the company 61*l.* 5*s.* for a draft on New York to pay 1500*l.* in Buffalo. It appears that the Captain had paid 60*l.*, or 4 per cent. premium; but there was surely no need of that, as he could have obtained half dollars and delivered them at Buffalo at an expense of less than 10 or 15 dollars. Why he charges 25*s.* more than he paid I have not ascertained, as his travelling expenses are paid from time to time, but it is probable he can explain.

BANK OF UPPER CANADA,
Toronto, 7th March, 1836.

SIR,

In reply to your letter of this morning I beg to inform you that on the 24th March, 1834, Captain Creighton purchased from this Bank in his own name Draft No. 1327 at 3 days on Messrs. Prime, Ward, and King, New York, for 1500*l.* currency, at 4 per cent. premium, making the price of the bill 1560*l.*

I am, Sir,
Your obedient servant,
THOS. G. RIDOUT,
Cashier.

FRANCIS HINCKS, Esq.
House of Assembly.

AGRICULTURAL BANK,
Toronto, 7th March, 1836.

SIR,

In reply to your letter of this date we have the honor to acquaint you that our Bank was not opened at the period respecting which you require information.

Our first bill on New York was dated the 11th July, 1834, and was negotiated at 3 per cent. premium, but a reduction took place almost immediately afterwards.

We have the honor to be, Sir,
Your Obedient Servants,
TRUSCOTT, GREEN & Co.

W. L. MACKENZIE, Esq. M. P. P.
House of Assembly.

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341. The twelfth observation you have made in your letter to this committee is "that *William Hamilton Merritt*, Esquire, "who succeeded *Mr. Black* as Secretary to the Company, and "*Mr. Clark* who succeeded him, appear to have made no entries "on the Legers or Journal, although that was an important part "of their prescribed duties, and that they have declared to me "that they have not even examined the entries made by lock-"keepers, occasional servants, and others, some of them mani-"festly incompetent; and Mr. Beaton, the principal occasional "person employed, habitually intemperate, and as I think, evi-"dently dishonest, judging by the entries he has made." Have you any thing to state in proof of this charge?—The Secretary is the regular book-keeper or accountant of the Company, and the keeper of its records, books, and papers, and he is under the exclusive control of the President for the time being. In the most active times of the canal excavation Mr. Wenham first, and after him Mr. Black, as Secretaries, kept the books of account and did the writing work, and after all, the President, Mr. Dunn, complained in 1831 that Mr. Black's office was a sinecure.

Mr. Black left in June 1832, and Mr. Merritt succeeded him and was the Secretary and in possession of the books and accounts as the responsible officer until the month of November of that year, a few days before an account was to be given in to the Legislature upon oath by the Secretary respecting the expenditure of £50,000 of the public money; when he made way for Mr. Clark who went forward and took the oath, testifying to the truth of accounts which were not true. I think the extent of Mr. Clark's offence in this respect was the swearing that that was true which he had not examined and could not investigate. I feel disposed to admit that it is probable Mr. Clark deserves censure more for withholding his accounts, employing an intemperate person, and discharging Mr. Raincock who was a sober man.—But it appears to me that he was under Mr. Merritt's influence, and obliged to do as he said, for it appears by Mr. Hall's evidence that Mr. M rritt interfered when Mr. Clark would have stopt Mr. Beaton from doing business in the office, and that Mr. Clark had to submit to a different course. Mr. Clark is also blameable for accepting an office the duties of which he could not fulfill, as not being an accountant. The engaging of Hiram Slate and John Callaghan to blunder in the Company's principal books, while he himself was incapable of remedying their errors or omissions was very wrong; but I am unwilling to believe that he intended what has taken place. Mr. Merritt is a very shrewd man, and during his Secretaryship there does not appear to have been many (if any) entries made in the principal books, which Patrick Grant Beaton afterwards brought forward after a fashion so incorrect, deceptive, and calculated to mislead the public and the company, that I would be concealing the truth if I did not state my full belief that he knowingly and wilfully was a party to a system which has resulted in a defalcation of large amount, but the full extent of which is not yet ascertained. Were Beaton ignorant of book keeping like Mr. Clark, I should be willing to ascribe what I have seen of his conduct to his not knowing better; but I have seldom met with a person better acquainted with book keeping, or who could, had he been so inclined or so ordered by Mr. Merritt, have corrected the errors he perpetuated. In 1834, when it was apparent a change would take place in the Legislature, and real inquiry in all probability follow through the House of Assembly, the books of the canal begin to assume a rather more regular appearance, and the only excuse offered for their previous errors, obscurity, or incomprehensibility, is that the Company were scarce of money. That did not hinder them to keep a clear account had they been so inclined. It was only towards the latter weeks of my stay at St. Catharines that I gave much attention to the accounts, and the more I saw of Mr. Beaton's ability as an accountant, and of his desire to blind me to the true state of the monied affairs of the canal, the more did I doubt him. In St. Catharines he was by no means ill liked.—His habits are, to be steady for a few weeks, then to break out in fit of intemperance for a week or so; get steady again, go to work, work hard, and then go back to the other extreme again. That Mr. Merritt should have preferred him to the many steady and regular applicants for office is to be accounted for only in one way, namely, by reading Nos. 1, 2, 3, 4, 5, and 6, of my answers. But if an accountant had been employed as the Secretary, no such officer as Mr. Beaton would have been required.—An inspection of the cash journal and legers will satisfy you that neither Mr. Merritt nor Mr. Clark ever wrote a word in them.—When at St. Catharines, Mr. Beaton assured me he had examined the books with great care, balanced them, and supplied the defective entries, and that they proved correct from the very beginning. When he said this I am satisfied he must have known it was not so, and when he made the entry of the Grand River £579, it is evident from his other entries that he knew what he was doing. Almost all the errors of the different accountants are on one side and against the Company's interest. Not so accidental blunders.

342. Your sixteenth charge is "That valuable mill sites have "been given away without recompense, after stockholders had "been induced to subscribe by means of reports by the Board

"that great wealth would be derived from the leasing of these "mill sites." In what cases has this been done?—I allude *first* to the fact that Mr. George Keefer, the first President of the canal, has enjoyed for a number of years the use of a valuable mill site, suitable for four run of stones, rent free, while other persons have been made to pay the full value for very inferior situations.

The documents and extracts I now produce, namely, a resolution of the Board, 20th September, 1825, to appropriate land for mill sites, extracts from Mr. Merritt's letter to Mr. Wilkins of Boston, a selection from Mr. Keefer's address to the public in 1823, Mr. Clowes' opinion, and an extract from the Directors report of August, 1825, shew that every possible means was taken by Mr. Keefer, Mr. Merritt, and other interested persons, to induce people at a distance to embark their capital in the canal, in order that they might make profit by the hydraulics; respecting which very extravagant expectations appear to have been formed; and the appended resolution of the Board of the 3rd October, 1825, present, *only* Messrs. KEEFER, MERRITT, and ALLAN, shews that one of the first acts of these interested parties was to present to one of themselves a gift of a mill race with water to grind with four run of stones as soon as the mill race could be dug thirty miles in length at the expense of the deceived stockholders and the Canadian public. On this subject I met with Mr. Yates' opinion in writing, which is as follows:

"Mr. Yates is of opinion that in the lease to Mr. Keefer it should embrace this reservation, that the Company may at any time re-take it by paying the amount of his outlay; and thinks it would give umbrage in any other way to the stockholders."

So it might, and with great reason too. No wonder the canal is out of funds.

I allude *secondly*, to the improper transaction of the Allanburgh mills, respecting which I have elsewhere spoken.

(OFFICE COPY.)

To the President and Directors
of the Welland Canal Company.

GENTLEMEN,

In case you will give me a mill seat on the Welland Canal at St. Catharines I will put up a Grist-mill at once, and have it ready for operations as soon as the water is put in the canal.—The mill shall be capable of grinding all the wheat that may be brought to it, and contain at least four runs of stones and all the machinery for a perfect and complete flouring mill.

Gentlemen,
Your obedient servant,
E. S. BEACH.

DEEP CUT,
Welland Canal, Oct. 3, 1825.

(OFFICE COPY.)

At a meeting held at St. Catharines, 26th October, 1825.

PRESENT.

Hon. Wm. Allan, *Vice President.*

George Keefer, } Esquires.
W. H. Merritt, }

10th. A proposition having been made to the Directors by E. S. Beach, Esq. of Rochester, and George Keefer, Esq. of Thorold, that they would construct or cause to be constructed a large and extensive flouring mill with at least four runs of stone on the line of the Welland canal capable of making the best superfine flour, adjoining St. Catharines, and at the first lock on the mountain, and have the said mills in readiness by the time the water is let into the canal—Be it *Resolved*, that the said General S. Beach and George Keefer, Esquires, be allowed the privilege of a mill seat for the above purpose, providing they perform the said condition—the above proposition having likewise received the sanction of Simon McGillivray and Henry J. Boulton, Esquires, at a meeting of the Directors on the 20th September last.

Resolution passed at a meeting of the Canal Board held at St. Catharines, 20th Septr. 1825.

PRESENT.

H. J. Boulton, Esq., *Vice President.*
Simon M'Gillivray, }
George Keefer, } Esquires.
Wm. H. Merritt, }

3. In consideration of the importance of avoiding all occasion of dispute about the property of the land bordering on the line which may be determined on for the course of the canal betwixt the Deep Cut on the bank of the Welland River, and the harbor at the 12 mile creek, on which line will be situated the valuable mill seats which are to be formed by the water admitted through the canal, and in order to prevent any question with the present proprietors of such lands about the right of erecting mills or other buildings on sites which are to derive their value from the operations of the company.—Considering that it is only just that the company should enjoy the benefit arising from their own improvements, and that the powers granted to them by their charter were intended by the Legislature to secure the same. It is therefore *Resolved*, that 10 chains by 8 in front of the canal mouth, and 4 chains wide by 10 in length be appropriated at its junction with the Welland River in Thorold, and that 2 chains wide on each side of the canal reservoirs and the harbor, exclusive of towing path, be appropriated from the Holland road to the mouth of the 12 mile creek, together with the beach in front of the embankment at the harbor, which beach having been lately purchased by Mr. Merritt from Mr. Pawling, the proprietor of the adjoining lot on the West side of the 12 mile creek at its entrance into Lake Ontario, has been liberally relinquished to the company by Mr. Merritt at the same price which he had paid for the same.

"Another most important branch (of the profits) is the Hy-
"draulic situations, there is not a mill seat from the Falls of
"Niagara round Lake Ontario to Dundas creek on Lake Erie,
"the only one on this whole Peninsula is the Falls of Niagara,
"in opening this cut we make immmerable situations for all man-
"ufacturing establishments, which will be the more valuable
"from the impossibility of competition."—*Letter, Mr. Merritt to Mr. Wilkins, for the information of the people of Boston, June 10th,* 1834.

[FROM THE SAME LETTER.]

"*The first situation on the Mountain must be far more valu-*
"*able than Rochester,* from the extent of internal navigation it
"must command, besides the Lake; we would be furnished with
"an ample supply of lumber for which we would find a ready
"and constant demand at the entrance of the American canal at
"Tonawanty, as they are destitute of Pine timber, either on the
"line of the canal, Lake Erie, Ontario, or the Niagara River.
"Mills can likewise be erected on the bank of Lake Ontario, can
"receive wheat in vessels from any part of the banks thereof,
"which is an advantage no other situation does or can possess
"either on this or the American side of the lake."

In 1823, Mr. Keefer put forth a printed address to the public, telling of the great water privileges the new canal would confer on the intended company; I submit an extract:

"*Another source of profit to immediate Stockholders* will arise from the judicious use of the superfluous water for the purposes of driving machinery, &c. and which, by proper management, might be made to reimburse them in a very few years for the entire outlay of their capital. This, taken in connexion with the public convenience, in a part of the country where mill streams are both scarce and scant, is far from being one of minor importance. From Long Point, on the shores of Lake Erie, round to Dundas, at the upper end of Lake Ontario, the only mill possesssng a sufficient supply of water to carry on business to an extent that may be considered mercantile, is that of Messrs. Clark and Street at the Falls.

"The production of wheat, in a soil and climate so well adapted to its culture, must of course be considered one of our principal staples; but to render this valuable to the farmer it is necessary he should possess the means of converting it into a fit state for use, so that he may not only reap part of the benefit arising from

the manufacture, but reduce the bulk and weight of his exportable commodity, so as to be able to enter the market less unfavorably, with respect to transport charges, than at present.

"As this company will be justly entitled to all the advantages that will result from the command of the water throughout the route of the canal, the mills now erected on that part of the 12 mile creek, (which will be benefited by an additional supply of water) must be purchased at a fair valuation from the present proprietors, and be at the disposal of the company, after the completion of the cut.—Two flouring mills of the best description, and other machinery, should be erected by the company—a flouring mill as near Chippawa as possible, to receive wheat and produce coming downwards from Lake Erie, and another as near Lake Ontario, to receive produce from the banks thereof, and dispose of all the intermediate situations.

"Subjoined is a calculation upon good data, of the probable expense of the undertaking, contrasted with a sketch of the profits which it is presumed would accrue to the company.

"To estimate of first cut from Chippawa to lake Ontario,.....£	10,000	0	0
"Probable amount of valuation of the different mills, &c. on the 12 mile creek, which it will be necessary to purchase.....	4000	0	0
"Erection of Grist-mills, Saw-mills, &c. with other machinery.....	5625	0	0
"Cut to Grand River.....	2500	0	0
Halifax Currency, £	22,125	0	0

"By rental of machinery to be erected by the company.....	£ 2000	0	0
"By interest on sale of the intermediate sites for hydraulic purposes.....	300	0	0
"By rental of mills now erected.....	500	0	0

"The proceeds from the sale of the intermediate sites for hydraulic purposes; the increased value of the mills now erected, and the rental of the company's two grand establishments on each end of the canal, will of itself bring in a handsome dividend to the stockholders on the amount necessary to complete the whole—leaving out the reasonable expectation of a large sum that must be derived from the transportation of various articles. A boat, carrying forty tons, will be taken up at the same expense that two tons can be conveyed with a waggon at the present period."

In answer to a question put to Mr. James Clowes, Engineer, by the canal committee in 1824, he replied that "the most "prominent situation for machinery on the Niagara route is at "George Keefer Esquire's, where they can be erected to any ex-"tent, but taking the whole into consideration a decided prefer-"ence must be given to the 12 mile creek route for hydraulic "purposes."

In the report of the President and Directors of the Welland Canal Company, dated in August 1825, they say—"We connect "an equal extent of country at a comparatively trifling expense, "combine the most valuable and extensive hydraulic privileges," &c.

The report by Dr. Strachan, as it is understood, attempts to blind strangers by the following magnificent prospects:

"The situation for machinery on the line of this canal both for local and natural advantages, are not equalled in America.

"There is not a mill seat on the whole Peninsula between those lakes, where a flouring mill can be established which may be considered even mercantile, except at the Falls of Niagara.

"The River Welland being on a level with the Niagara we take the latter for our feeder, which affords a constant, ample, and steady supply of water—we have reservoirs on our summit to any extent required—and the first situation on brow of mountain commands a greater extent of country (by means of our communication with the Grand River) connected by internal navigation on navigable rivers, than Rochester—possesing as fertile a soil and as well adapted for the growing of wheat as any part of the Genesee country.

"However for the sake of argument suppose we have over-rated our transit and Hydraulic situations eightfold and we only realise the first year £2000 in all—(it will be as well to mention here we have been offered £1500 per annum for the dydraulic situations alone by a most respectable Company) or one per cent on the whole Capital (we are all confident it will increase in geometrical proposition to the growth of the country, and in the same ratio as the American Canal) at this rate what would the stock be worth ih the London or New York Markets.

"The advantages we possess in our Hydraulic situations will be better understood after reading the remarks thereon in our preceding sheets—we will enter into the following detail at present:—

"One lumbering mill require

1 Superintendent at $33 per month.....	$	33
9 hands at $18 per month.....		162
One team.....		10
Breakage &c.....		26
Grease, candles, &c.....		26
Saw logs, at $12 per thousand.....		487½
		$ 644½
325,000 feet lumber per month averaging 75,000 per week at 25s. per thousand.....		1625
		980½
		12
		$11,766

"Say two mills only—although there will be a demand for 100,000 feet per day at one half the above estimate.....£		3000
2 Grist mills at £500 each.....		1000
Interest on sale of all intermediate situations for various manufacturing purposes.....		1000
"Add this to account of transit.....	£	5,000 12,256
Gives the sum of.....	£	17,256

Which will give 8½ per cent admitting the whole capital is expended.

"Further we have every reason to believe Government will give us a grant of 13,400 acres in Wainfleet which will be worth at least £25,000 as soon as the marsh is drained."

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343. Have you any statement to make relative to charge No. 17?

The mode of Leasing the Water Privileges on the Canal is a very bad one. Some of the most important Mill Scites have been given away to favorites, and they produce nothing at all. Others are taken by Canal Directors at a yearly rent, and then these Directors sit at the Board and vote deductions from their own nominal payments, or, in other words, vote money into their own pockets. Messsrs. Merritt, M'Donell, Butler, and Creighton, the four Directors nominated by Mr. Yates, are interested as mill owners. The following resolution was literally a vote of the Canal funds into the pockets of the mill owners who composed a majority of the Board, and shews the imperfection of the system, Directors thus interested ought not to have the power of lowering the tariff of Canal tolls on the lumber that goes from, or the saw-logs brought to their respective saw-mills —the four gentlemen I have named may desire to keep their mills and machinery in constant operation day and night when the interests of the Stockholders and the shipping would be much better served by stopping the mills and raising the water levels. A lockeeper or superintendent who would strictly adhere to the line of his duty in stopping the mills at Allanburgh, St. Catharines, or Merritt's mills, might incur the displeasure of those Directors whose pri-

vate interests he would be thwarting.—Great damage and injury have been sustained on the canal, and frequent stoppages caused by the neglect and carelessness of persons in charge of mills and machinery, and although there are very good regulations they appear to be a dead letter. Boylan, a lockkeeper at Thorold, complained one day to the Engineer that Keefer's saw-mill had filled up the canal with saw-dust so as to Impede the passage of vessels. I asked him if he had read the printed regulations, and his reply was, that no copy had ever been given him.—On the 16th of October last Mr. Hall went up the canal and the masters of schooners told him that in the top level there was but 7 feet water in place of 8, and that in order to keep the Allanburgh, Marshville and Dunville Mills going night and day, the largest class of vessels with full cargoes would be stopt and the character of the work further injured. Orders were immediately given to stop these mills, but there is no regularity, no order on the line, and it is ten to one if the Engineer's command would be strictly attended to in such a case. The saw-mills are the great consumers of water—it is well understood that one saw-mill with one saw will consume in one day as much water as it would require to keep a grist-mill with four run of stones in operation for six days; the saw-mill obtains water from the bottom of the canal, and hence it is impelled with the force of the weight of water in the level above; the grist-mill obtains water only from the top of the upper level.

At a meeting held at St. Catharines, 7th Jan. 1835,

PRESENT:

W. H. Merritt, Esq. President and Lessee,
A. Macdonell, Esq. Vice President and Lessee,
W. Chisholm,
Thomas Butler, Esq. Lessee,
Ogden Creighton, Esq. Lessee.

It was—"Ordered,—That a deduction of one-third of the Rent due for the past year will be remitted to the mill owners on the lower part of the Canal, provided the Sawmill owners bear a proportion of the expense for dredging the Canal below their mills—and the Hydraulic Company to receive a like deduction for interest due for the year 1833."

My evidence under the heads numbered 16, 18, and 21, is important with reference to the injurious influence of the system to which I have now directed the attention of the Committee.

Mr. Butler, one of the Directors had leased the Merritt mills from J. B. Yates Esq. @ £125 when it was under the Hydraulic Company. In 1834 he came forward and offered £100, although eight years of his lease at £125 were unexpired, and his reason referred to the rule made by the Board for the convenience of a majority of its members. The sooner an end is put to such a system the better. Last Nov. he got the lease.

OFFICE COPY,

ST. CATHARINES, 6th *August*, 1834.

To the President and Directors
of the Welland Canal Company,

GENTLEMEN,

Having heretofore rented from John B. Yates Esq. the mills at the rent of £125, and as eight years are yet unexpired of the lease, and as the said mills are now the property of the said Company I will rent the mills at £100 until a new saw-mill is erected for the term of years that the Company rent to other persons, and when a new saw is erected at the rent of £125.

I am,
Gentlemen
Your obedient servant,
T. BUTLER.

LEASING WATER POWERS IN NEW YORK.

The following selections from the laws of the State of New York, lately passed for the regulation of canals, shew their management of water power, and that experience has proved the necessity of prohibiting every person from being concerned in canal management, or holding offices of trust on the canals, who, in his private capacity, has an interest different from that of the public at large:

From the Revised Statute relating to the Navigation of the New York State Canals.

"No person owning any hydraulic works dependent upon the "canals for their supply of water, or who shall be employed in or "connected with any such works, or who shall be engaged in "transporting property upon the canals, or who shall own or be "interested in any boat navigating the same, shall be employed "as a superintendent, lockkeeper, collector of tolls, weigh-mas-"ter, or other agent upon the canals.

"No canal commissioner, or any member of the canal board, "shall own or be interested in any hydraulic works dependant on "the canals for their supply of water, or own or be interested in "any line of boats, regularly navigating the canal; and if any "commissioner or member of the canal board, shall at any time "after the expiration of six months after this chapter becomes a "law, be, or become so interested, he shall forfeit his office."

The opinions and usage in Ohio are stated in the following extract:

From the Annual Report of the Ohio Canal Commissioners, 22nd January, 1833.

"The numerous water privileges created by the construction of the canals, form an important interest which should be discreetly managed. These privileges may be made important sources of revenue, and at the same time be made to contribute largely to the prosperity of the surrounding country.

In leasing or selling those privileges, it is however important to secure the primary interests of navigation, which are liable to be injuriously affected by an improper use of the water for hydraulic purposes.

The agent to whom the disposition of the water is committed, should be able to anticipate the effect likely to be produced by any proposed sale—should know where privileges may or may not be disposed of without injury to the navigation—and what precautions, are necessary to guard against the occcurrence of such an event."

I met in the canal office with an indenture having the Company's seal affixed to it, but no other seals nor signatures. It is dated the 22d of September, 1834, and I find that of the persons to whom a lease of the St. Catharines' water power is given by virtue of that document, there are of the Company's officers and persons employed by it, Messrs. John Clark, Thomas Merritt, R. E. Burns, and Robert Sanderson. The lease conveys to them, for £125 a year, subject to be annulled by the Legislature, the land and premises, with the water power attached

thereto, at St. Catharines, commencing at the level below Mr. Phelps' saw mill race, down to any part of the level below the hill at St. Catharines where the bridge passes the Hamilton road, with all the waste water. The Canal Company are to do a variety of works for the lessees. The rent is only £125, the lease for 10 years, and the Canal Company are to pay the value of the erections in case it declines to renew the lease. Under this indenture Mr. Wm. Hamilton Merritt is a lessee of water power here also.

(Copy.)

St. Catharines, February 23, 1835.

John Clark, Esq.

I beg to apply to you for the use of the surplus water at Gravelley Bay, in behalf of the Port Colborne Mill Company.

Your obedient servant,

HIRAM SLATE.

Mr. Merritt stated to me, that the partners were—W. H. Merritt, Thomas Merritt, Ogden Creighton, Alexander McDonell, H. B. Ostrum, Thomas Scott and Hiram Slate—for a Grist Mill at Port Colborne.

At the Board, on the 31st of August, 1835, this letter was brought forward, *after* Messrs. Merrit & Co. had *built* a Mill without authority, and as Mr. Thorburn and I dissented, and Messrs. Creighton, Merritt, and McDonell (the only other Directors then present) were interested, nothing was then done.

St. Catharines, July 10th, 1833.

Robert Randal, Esq.

Dear Sir:

There is an order of the Board, authorising you to keep an account with various individuals, of whom I am one.

You will charge me with all tolls passing in my vessels, on my account—it is not on my individual property, or the individual property of any other person whose name is mentioned—the consideration was, the Company's being indebted to those individuals.

Yours',

W. H. MERRITT.

Duplicate.

Mr. Merritt has received and forwarded through canal the undermentioned property:

	£ s. d	£ s. d.
1833.		
May 21st—244 bbls. pork, at 6d.	6 2 0	
5 " lard, " 6d.	2 6	
33 " flour, " 4d.	1 7 8	
10 kegs lard, " 1½d.	0 1 3	
T. McMahon, toll on boat,.....	0 5 0	
Cargo belonging to the schr. Mary of Huron,.....		7 18 5
Carried forward, £		7 18 5

	£ s d	£ s. d.
Brought forward, £		7 18 5
June5th—*Canadian,*		
1200 bush. corn, at 1¼d	6 5 0	
32 bbls. pork, " 6d	0 16 0	
6 " flour, " 4d	0 2 0	
Toll on vessel,.....	0 10 0	
Paid by Captain Prescott,.....		7 13 0
June 6th—Toll on the schooner Ann & Susan, and her cargo to amount,.....		9 0 4½
		24 11 9½

Charged to Wm. H. Merritt, Esq., and a draft taken from the master of the vessel on Messrs. Billings & Co., Brockville, payable to W. H. M., Esq. for the amount of the same.

—

Port Colborne, July 1st.

The Welland Canal Company will pay Robert Randal, Esquire, the sum of £24 11 9½, for toll, on my account.

Per order of Board.

(Signed) W. H. MERRITT.

—

July 9th—Toll on Canada's cargo,.....£9 18 3

The Welland Canal Company will pay R. Randal, Esquire, £9 18 3, on account of Canada's cargo.

By order of Board.

(Signed) W. H. MERRITT.

—

Dr.	£ s. d.	£ s. d.
July 1st—Order.....	24 11 9½	
" 6th— do	9 18 3	
Paid by Capt. Inkstar,.....		34 10 ½

Cr.

	£ s. d.	£ s. d.
Draft ℔ Susan's cargo, ...	9 0 4½	
Order ℔ Kidd,.....	10 0 0	
Cash to balance,.....	15 9 8	
		34 10 ½

(Signed) W. H. MERRITT.

July 20th, 1833.

—

Canada—	
Canadian, ...	£34 10 ½
W. H. Merritt,	
Deduct Susan's cargo,.....	9 0 4½
	£25 9 8
	7 18 5
	£17 11 3

HYDRAULIC DITCH FROM CENTREVILLE TO St. CATHARINES.

Amongst the papers submitted, I find an original calculation and estimate of this work by Mr. Oliver Phelps, in which the following quantities and prices are set forth, viz :

14,000 yds. of excavation at 10 cts.	$1,400	
1,000 do of embankment, do	100	
Cutting and embanking.....		$1,500
Stone for large aqueduct laid,.....	$ 50	
Building said aqueduct ready for use	1,000	
Small aqueduct,.....	275	
Grubbing one acre,.....	$ 60	1,385
		$2,885

In the same document, Mr. Phelps says "I will "complete down as far as the side line, near brew- "ery, for the above sum, or will build the aqueducts "for the above prices, and the excavation and em- "bankments at the above prices, per yard, to be es- "timated by Geo. Keefer, Jr., or will do the whole "by the lump, for the above price, and warrant it to "answer the purposes, without any further expense "of estimating, but will not take any part unless I "take the whole."

Upon the 24th November, 1830, an agreement was made between Mr. O. Phelps and W. H. Merritt, Esquire, by which Mr. O. Phelps was "held to build an aqueduct over the valley, beyond Dalsen's, and one over a ravine this side of Phelps', to make substantial stone abutments, and make the said aqueduct of the best materials and in the best manner, and finish the same by the 1st May, 1831, for $1500;" this agreement exceeds Mr. Phelps' tender to do the aqueducts, by $115.

An agreement was also entered into, between the Canal Compay and Messrs. John Johnston & Hugh McGuire, to excavate a race-way from the aqueduct to the West side of Widow Rykert's farm, to muck and puddle, embank and finish the same in the best manner, by the 1st May next, for seven cents per yard, excavation; seven cents for embankment, and the same for mucking or puddle.

The above work to be executed under the directions of the Company's Engineer, or Mr. Phelps, who has the control of the same for the time being.

Also, a contract of the same date, prices and restrictions, between the Canal Company and Thomas Sixsmith, Simeon Sixsmith, Edward Bradley and Matthew Sixsmith.

These three parties before mentioned, were the only contractors.

Length of ditch taken from a book of memorandums;
1588 yards lineal (supposed from Centreville,) to Distillery,
2212 " " to aqueduct,
726 " " North of aqueduct,

4526 = 2 miles and 1000 yards.

By an estimate of the work in June, 1831, there appears to have been done

Excavation,.....13,970 cubic yd's.
Embankment,..... 132
Mucking,..... 620

14,722 at 7 c.= $1,030 54
Grubbing returned,..... 77 00

$1,107 54

This estimate has no signature or date, but June, 1831, is endorsed thereon; another estimate for the same work with additional grubbing contains the following :

Cutting and embanking upon ditch,.....	$1,111 50
Grubbing to Anderson,.....	40 00
	$1,151 50

This estimate has no signature.

Add aqueduct,.....	$1,500 00
Extras, per bills, and extension to 25 lock,	807 41
The amount, by this estimate, will be,...	$3,458 91

Mr. Barrett's estimate of the same work, a document known to be his hand writing, but without date or signature, states the following—

"From the culvert near Philip Shaver's to St. Catharines—	
1st From Culvert to Soper's Ravine 87 chains and cutting 150 width at both sides 7s. 6d.....	$ 3285 99
Flue and embankment at Phelps' distillery.....	200 00
Embankment and flue over Soper's ravine to connect with cutting each side.	1000 00
	$ 4485 99
If this amount does not include the aqueduct, which is not shewn, we must add its contract price.....	1500 00
Also extra work by bills 1st $200—2nd $55 76—3rd $65 25	321 01
Also extension of race as at present done, and of which there is no account, say 440 yards × 4 × 2 = 3520 cubic yards at 7 cents.....	246 40
Four sluices each $60.....	240 00
	$ 6793 40

I can find nothing to shew distinctly whether the total actual expense of this work has been.....	$ 3458 91
Or according to Mr. Barrett's estimate	6793 40

But it is probable Mr. Keefer the Engineer may be able to explain wherein this great discrepancy originates.

FRANCIS HALL, *Engineer.*
17*th Oct.* 1835.

COPY

We the undersigned freeholders in the village of St. Catharines and its vicinity do hereby agree, in case the Welland Canal Company shall undertake the cutting thereof, to allow them to excavate through our respective lands a race-way of proper width and depth for the purposes thereof, the same to be taken through upon a sufficient declination from the Lock situated immediately above the house of Oliver Phelps Esq. above Mr. Little's Brewery, and descending upon the table land through the village.

St. Catharines, 22nd Dec. 1829.

(Signed) OLIVER PHELPS,
JAMES LITTLE,
J. H. CLENDENNING,
WM. H. SANDERSON,
JOHNSTON BUTLER,
WM. C. CHASE.

I will agree for the race to come through my lot in case the upper race comes as far as my red house.

E. S. ADAMS.

COSTLY FAVOURITISM—MERRITT'S MILLS.

A month or two after certain extraordinary transactions had taken place between Mr. Boulton, Mr. Merritt and Mr. Keefer, which will be stated in a subsequent part Captain Gordon presented a petition to the Committee of the House of Assembly, of which Mr. Attorney General Robinson was chairman, dated Niagara, 22d Nov. 1825, in which the following passage occurs:

"Your Petitioner therefore humbly prays your Honorable "House may be pleased to suffer the route of the Canal to remain; "but should your Honorable House be disposed to alter the same, "your Petitioner humbly prays, that as a direct line is always the "shortest, your Honorable House may be pleased to cause a faith-"ful survey and estimate for carrying the line of Canal from the "base of the mountain, in as direct a line as may be, down one of "the ravines terminating at the mouth of the 12 mile pond, in-"stead of turning round through St. Catharines; there being no "perceptible difficulty, save the cutting off that village, the ag-"grandizement of which can be of no importance to the Compa-"ny's general interest."

Had the suggestion of this excellent man been followed, and the direct route from Centreville to Port Dalhousie surveyed and estimated, the Welland Canal would have been shortened nearly four miles in a distance of nearly six or seven on the side of Lake Ontario; a route infinitely preferable would have been obtained, and many thousands of dollars in damages and sudden injury to the works by the freshets on the 12 mile creek been avoided. But so powerful was Mr. Merritt's influence with the Attorney General that the most difficult, circuitous and improper route was at once adopted, without even an examination of the direct line, and the public suffered a permanent loss of many thousand dollars in order that Mr. Merritt's Mills might find a purchaser and his landed property be enhanced in value. At one end of the canal it is extended 4½ miles to benefit Mr. Henry J. Boulton at the cost of the country—at the other it is extended nearly four miles more to serve the private interests of Mr. Hamilton Merritt. If we acquit Mr. Robinson and his colleagues of improper motives in these transactions, it must be at the expense of their judgment and discretion. Mr. Hall's report explains the great advantages to be derived from adopting the direct route even now; and I fully concur with him in opinion.

On the 31st of August, 1826, A. Nelles, Thomas Butler, Samuel Street, Samuel P. Jarvis, John Black, Edward McBride, J. B. Macauley, Marshall Lewis, H. Mittleberger, and others, Arbitrators, awarded to Mr. W. H. Merritt and his father £600 for their Mill Seat, Mill, Lands, (estimated at 7 or 8 acres,) and the buildings appertaining thereto, which with £30 interest was paid them next year.

MINUTE OF 6th JULY, 1827.

PRESENT.

Dunn,
H. J. Boulton,
Robinson,
Colonel Wells,
D'Arcy Boulton,
Keefer.

Resolved, That Mr. Merritt be paid for his Land, &c. as per award, viz: £600, and £30 for interest, by a draft upon Messrs. Yates and McIntyre for £630, at 60 days.

Next month the Board resolved.

VIDE MINUTE OF 9th AUGUST, 1827.

PRESENT.

Dunn,
Wells,
D'Arcy Boulton, and
Keefer.

"The Board not feeling inclined to go to the expense of removing the Grist Mill formerly belonging to W. H. Merritt, Esq. at this time, and considering its being put into immediate operation would be beneficial:

Resolved, That Mr. Merritt retain it in his possession on the same terms as the Saw Mill, viz: by advancing the capital to put it in operation, he is to have the use of it until the Company may consider it an object to take it themselves, in which case they agree to pay him the amount of his outlay or expenditure in the repair.

Acting under this authority, for his own benefit; Mr. Merritt set to work and made repairs on the mill property to the value of £678 12s. 7d. for which expenditure he produced from fifty to a hundred accounts, some of them signed, others discharged, but a nnmber of them were vouched for in no way whatever by the parties. Mr. Dunn the President, makes "an endorsment that the vouchers have been compa-"red with the within accounts—the same are not got "up with that regularity which should be in such a "transaction"—and although their correctness was not disputed further explanation was called for by the Board.—McAllister's bill of $296 is paid, with a suitable allowance of 18 gallons of whiskey, and $20 of a gratuity; and the gratuity, and the said whiskey, and much more whiskey than that, are charged to the Welland Canal Company and certified by Marshall Lewis. A variety of the charges for labour and materials are by Thomas Merritt, Junior.

In 1829 the board paid Mr. Merritt £538 for his repairs, and took the mill off his hands. The balance was afterwards settled.

So that Mr. Merritt's mill, with the ground had cost the Canal Company, at the time it was placed in the hands of the Hydraulic Company $4,672, and they are said to have made further alterations. Indeed to this cost may be added the loss of nearly 4 miles in 7 in the route, and the cost and delay caused by hundreds of casualties in the valley of the twelve mile creek.

I now present copy of several letters and orders of the Board which partly shew the improper course

Mr. Merritt has pursued, even according to his own rule.

Remarks by Mr. Merritt, Welland Canal Office, 1828:

"As jealousy will arise in my posessing any machinery on the Line of Canal, would prefer the Company taking my Mills and advertising them to be let at once for ten years on an annual rent, the Company to take erections at that period at a valuation of what they are then worth. It is my wish not to be in any way interested in any work, so long as I have any management in the Company's affairs—and this I believe to be the wish of the Stockholders.

"It would be well to come to some decision respecting the Grist-mill at St. Catherines; it is injudicious to let out Saw-mills on a large scale until the water is through."

Pursuing a different course afterwards, Mr. Merritt addressed the following letter to the Canal Board, asking its permission for him to be a partner in the Hydraulic Company; and the Board made a minute in reply, in these words—"The Board leave the mat-"ter entirely to Mr. Merritt, who is at liberty to act "as he thinks proper." The members present were Messrs McDonell, Warren, Boulton, Allan and Randal.

WELLAND CANAL OFFICE,
St. Catharines, Nov. 10, 1831.

To the Board of Directors
of the Welland Canal Company.

GENTLEMEN,

I have refrained from purchasing any situation on the line of the Canal from its commencement, to avoid all ground for suspicion of having speculated for my private advantage, instead of selecting them for the benefit of the Welland Canal Company.

I was offered by Mr. Yates, when last here, a part of his purchase on certain conditions, which would enable me to retain near one sixth, it was my intention to state the circumstance to the Board at their first meeting, but as an opportunity is not likely soon to offer, I consider it my duty to lay it before you immediately, and if it should not meet your approbation, I am determined not to retain the least interest in the Hydraulic Company, although I consider it a profitable speculation, and that it would in no way interfere with the interests of the Welland Canal Company, except in promoting them; and I still think, as I ever have, it is the best sale that could have been made by the Welland Canal Company. I believe the exertion of the Hydraulic Company will bring more business to the Canal than all the land and water-power is worth in the hands of this Company.

If you consider there would be no objection on the part of the Board or the Welland Canal Company for me to make a purchase in that, the same as any other individual, I shall feel thankful, if not you will please notify me by Mr. Black.

I am,
Gentlemen,
Your obedient servant,
WM. HAMILTON MERRITT.

Mr. Merritt has since become a lessee of the water power at St. Catherines, &c. and is building Mills.

For the Colonial Advocate.

To WM. MERRITT, ESQ., AGENT AND DIRECTOR WELLAND CANAL COMPANY.

NIAGARA, *April* 28, 1826.

SIR,

There is oft times much truth in the remark "out of evil comes good," (not that any may be expected from you) but that the vile trick you played off at the election for Canal Directors on the 3d instant, has at length entirely removed that mark of friendship which you had wore so long, and clearly demonstrated it to be good to have done with you; you perhaps hoped that I would sit down and quietly chew the cud of disappointment; not so, Sir, you are mistaken, (you know the cause of my being silent so long, but,) "though vanquished, I will argue still!" and perhaps may give you some trouble yet before I leave you, for I think your treachery on that and some other occasions has given me a right to address you without much courtesy, and while I confess myself truly inadequate to contend with so subtle and so patient an opponent, must trust to the justice of the cause to shield me, while honesty, trusty old truth, shall be my weapon, over which I cannot restrain the bitter tear at the recollection of the last thread of friendship being thus severed for ever that held one who I loved so well; but that is past—to the point. If you can possess candor, (which I doubt) pray why did you come here disturbing my peace, entreating me to be one of the Directors for the present year? My reply shewed you I was not ambitious of the honor (if there be any in it.) When you wrote to me on the subject, shortly before the election, and found I did not answer you, why did you not let me alone?—and when in our last interview, only a few days before the election, you then gained my assent, why did you basely deceive me in causing Mr. John Clark to be elected instead of me, and expressly to keep me out? In that conversation you lamented that the province did not contain seven elegible Stockholders to elect for Directors; when enumerating *us* you made no mention of the Attorney General or John Clark, (because they were not then Stockholders,) nor did any person ever hear or suspect, or will believe that the latter was so till the moment of election; I am glad, however, to hear that he is enabled to put a $1000 in the Canal, for he was (I thought) my friend in my closest confidence on the subject, and know best how he kept or deserved it. (No doubt he will make a very good and more pliant Director than myself, though he did once try to get the Canal near home) if it was done to expose or mortify and disappoint me; so far you have failed, as nothing that *you* may do can surprise me, and though foiled in the opportunity of searching for truth in the Canal, (which was very doubtful of being found there, even had I been elected) the reflection that I am saved some pence and much trouble, must console me. Perhaps it was that duplicity forming so prominent a feature in your nature, you could omit no opportunity of exercising it, and that your treachery was a matter of course—a natural result. Whatever the course, the result was base in the extreme—I will not call it a Yankee trick, for the Yankees present did absolutely hoot at it. I shall consider it an Agent's trick, for I believe it was all your own, nor was it any way marvellous that my honest friend Keefer should join the plot; but why our Hon. President should fall in with it, perhaps himself knows—I do not; possibly he thought it a good joke; I wonder if he thought it an honest one; it was certainly a black one. You know that my intentions were pure and disinterested—that I had both leisure and inclination to serve the Company, and a desire to do justice to every man, without injury to any one. Under this feeling, and no other, did I consent to be one of the Directors; but it was by no means evident to me that I should, or was bound to agree to all your measures, nor could you reasonably expect that I should voluntarily expose myself (singly) to be borne down by the opinions of such a knot as your plausability had formed to your views. The four principal Directors being absentees, and much engaged in their own affairs, having no time to think of the Canal, confided all to you, who, with your trusty colleague, Keefer, have been (nearly) the sole performers in all the parts, and are both of you deeply interested and benefitted by it. Will any person be found stupid enough to deny that appearances alone demand a counter interest? I tell you, Sir, that the field is considered too extensive for less selfish men than either of you, to be entrusted with entire control thereof. I do think it to be the Company's advantage to have a different interest with yourselves in the direction, were it only to give popularity to, and confidence in the work, (which is greatly wanted.) Under this impression I proposed James Crooks, Esquire, to be one of the Directors, and this I learn is in your eyes a most heinous crime; and why not Mr. Crooks, Sir? Is he not a proper person, merely because his views may chance to run counter to your interest? You know him for a man of application—one not likely to be gulled by any frothy varnish you might rise to reflect the Company's interest in certain points, while self-advantage lay snugly hid at the bottom; he is a sturdy fellow that would brush it aside, and if iniquity lurked there, would "drag the monster into day"—just the man we want: and it required no witchcraft to forsee that he would be less manageable than some others; but allow me to assure you, Sir, that the base step you took to prevent the election of persons, perhaps not fully satisfied of the propriety of your conduct, has rather tended to confirm than remove any unfavorable impressions that may have existed in clearly evincing the little faith you had in your ability to make converts of them to your measures. If those measures have been pure and disinterested and the Company's best interests always adhered to, what can you be afraid of—why recoil at such men?—sure "conscience

that makes cowards of us all" did not whisper you the danger of trusting even one person who might feel disposed to look deeper into the Canal than others. I have not the vanity to think myself so formidable; and the apology that I wished to mar or perplex any part of the proceedings is too ridiculous to repeat, since it is not to be conceived that one or two men could make any undue impression on the minds of six persons acquainted with the subject, aided by such plausible subtlety as yours. and the work so far advanced.

When there was a vacancy for a Director from June till October last, you know I was the only person belonging to the Company during that time eligible to fill it; but you (and colleagues) rather choose to violate the charter than admit me among you. Whether I was too great a fool or knave I never could learn, but aware that you had both resolved to do without me, and not then over ambitious to herd with such, I said but little about it, but it was to divine the true cause of such pointed hostility, for though you might hate, you believe me honest. It was, however, grateful to ultimately observe so judicious a choice as the Hon. Vice President; but I thought at this time, (as you were so pressing) that your plans were to secure, that I might, for want of better materials, be admitted among the crowd; I do assure you that I had no wish or intention to tarry with you. I did but just mean to take a peep or two to satisfy myself that all was right, and away; (it is only your duplicity that I complain of) it is well known that I am about to leave the country, but if any person can suppose I would remain here for the honor of being Director of the Welland Canal, they are at full liberty to enjoy their opinion.

The four principal Directors being absentees, confide all to your disinterested management, now aided by Messrs. Clark and Keefer, (whom I call nobody.) you three I suppose form (the tria juncta or) standing corps of operations. Pray, may we not as well toss our money to you at once, and say, here good crafty Agent, make the most of it; for I much question the soundness of that policy that gives such latitude to any man so deeply interested as yourself.

"You know that I have no hostility to the Canal, (quite the reverse) and that I am interested in its prosperity, but I can never suffer that little interest to run away with my integrity, (let sordid souls laugh) I feel a nobler interest for its welfare, and think much of its prosperity depends upon the open, candid, judicious manner in which it is conducted; it is that cursed mysterious secrecy, which you are so fond of, that I am an enemy to. You say there is none; now I insist there has been, and still exists too much of both, and that it is injurious to the work; where there is no knavery there is no need of it. Honesty needs no such wretched auxiliary; it is true, I have asked but few questions as a proprietor, but the equivocal, unsatisfactory answers I have received, have disgusted and deterred me from further enquiry."

You have reported that fancying myself ill treated by the Directors has dissatisfied and roused me. Has yourself not acknowledged their injustice to me?—and do you suppose I am ignorant who to thank for it? But to state such as the cause of my discontent is a base false calamny; "false as hell"—false as him that said it: only worthy the little soul incapable of any generous feeling itself, cannot reconcile the idea of its existence in in the breast of another; it is too true I have been cajoled, duped, deceived, led to expect what was never intended to be realised; but my credulity and prejudice in your favor rendered me obstinately blind to every imposition, in spite of the most faithful testimony, and evidence of my own senses, and perhaps should never have opened my eyes to the truth had myself only been concerned; it was that cursed twisting and turning the canal and contracts, without leave or law, which first gave me to reflect. We read that "the serpent was more subtle than all the beasts of the field." Such are you among men—shining in subtlety, and your wiles attended with every success. The black snake I believe does not bite—like him you steadily pursue your wily course, and if like him you may not bite, you have made a devil of a hissing through the country.

"I held with you and supported your measures so long as I thought them honest, and disapproved them as soon as I discovered an inclination to serve yourself, rather than the Company. I may have erred in opinion; no man, I freely confess, is more liable to error, nor any more willing to acknowledge and atone for it. I am aware that I have been a foolish volunteer in the cause of strangers' interest, but heaven can bear witness to the purity of my intentions. If I was wrong, why did you not set me right? You attempted it once, but left me worse than you found me.

"Let me ask you where might the Canal now have been, (perhaps forgotten) had not my slender purse fostered it in its infancy when destitute of funds, and none would risk a shilling on it, not even their own instalments?

"What supported the tottering fabric when the Lower Canada Stockholders suspended payment, and almost abandoned it? (I do the fullest justice to your own personal exertions, they were vastly great, and must have immortalized you had they been disinterested.) Who advanced the first payment to the contractors, before any money was obtained (or certain of being obtained) from the New York Stockholders? Who would have reimbursed me had the Canal miscarried, as was then expected? Would you have done it? My services were then appreciated because I was serving individuals; is it not true? Have you, and your trusty colleague, Keefer, forgotten it? Or will you deny it? Where would he have been at the election of last year, had I possessed or used half the subtlety of either of you? That Nicodemus who presided at the Canal Boards by day, and attended the counter-meetings by night—who but you (to you eternal disgrace, have twice procured the re-election of him, who, when President) promised a certain contract to a certain person, on condition that himself was to be a partaker therein. Why so lenient and kind? Because he was useful to you. Is it not true? Why should I conceal it? I do not like your 'wolf in sheep's clothing,' and much doubt the goodness of that policy that entrusts you, or any one that supports such a man, with either our cash or concerns. I have been a friend to the Canal (and consequently feel an interest in its welfare;) I have a right to speak; I am a proprietor, and will speak freely. I have a right too to know, (although our Agents dispute it) how my money has been expended, but nothing of this can I learn, more than what cannot be concealed, that so much is paid, and so little is done.

"I honour your talents, and deplore their being constantly, (however secretly) directed to self. I have long known that you do not believe disinterestedness to be of this world, or to exist in it, and that 'make money,' &c. is your creed. But have a care, 'ill-gotten wealth never prospers,' and if some of your trusty friends do not shave you close before they they have done with you,

'You'll have to rise earlier than you do,
For if you are York, they are York too.'

"Though a homely English phrase, the hint may be of service to you. I leave you for the present to chew it, and am

"Your humble servant,

"JAMES GORDON."

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344. Have you any specific charges on No. 25?—The Welland Canal feeder terminates in the Ouse or Grand River, the country in the neighbourhood of which is blessed with a mild and pleasant climate, a fertile soil, water power in abundance, excellent timber for building, lime-stone, plenty of plaster of paris, fuel, canals and inland navigation, extending nearly to Brantford; building stone in all directions, and iron ore at no great distance. The Banks of this noble stream possess many advantages for manufactures, agriculture and commerce—the Ohio is near, the two great lakes are close at hand; Lower Canada, New York and Pennsylvania are not far distant, and to the west is the best half of Upper Canada. An intelligent population, well governed, and their energies properly directed, would speedily enable this favored district to rival, if it did not exceed, Lancashire in England, which, as compared to it, is defective in several important products essential to a manufacturing country. Dunnville, five miles from the river's mouth, is unhealthy, the Dam across the river at this place has laid under water about ten thousand acres of fertile lands, chiefly flat alluvial meadow. Sixteen miles above Dunnville the banks form into bluffs and gently rising grounds, and this is the aspect of the country for many miles up. At Dunnville a lock down into the river is much wanted. It is rather unfortunate that the Welland Canal has thus far impeded the free navigation of two Cana-

dian Rivers,—first, the Grand River, by a dam without a lock; and, second, the Chippawa or Welland River which is navigable for steamers or schooners a distance of thirty miles, but their passage is interrupted by the Canal aqueduct which crosses the stream so close to its surface that no steamer or barge can pass under.

The officers of the Government disregarded the excellent advice tendered them by Mr. Gordon and others, slighted the petitions of the people and increased the length of the navigation nearly four miles in the distance from the base of the Queenston Ridge to Port Dalhousie, for no other reason that I have ever heard except that it enabled Mr. Merritt the better to dispose of his mills and landed property. I now proceed to state some facts connected with the mischievous operation of the influence of the executive authorities by which the western termination of the canal was extended four miles more than was needful, and a loss sustained, for so I must call it, not less than one hundred thousand dollars.

After the Banks of the Deep Cut had caved in, it was resolved to make the Grand River the feeder, and to dam it up near its mouth so that a head of water of about five feet would be raised. It appears that this plan would not have served the interests of Mr. Attorney General Boulton nearly so well as to adopt a longer and more uncertain and expensive route to a place five miles farther up the river, and objections were raised by Commodore Barrie on account of some imaginary injury which the dam might do the naval service on Lake Erie;—this was overruled by Sir John Colborne, who consented that the dam should be built farther down on condition that the Directors gave their obligation to pull it down again, if called upon by the executive government, which they did! and after all the dam was taken up to Dunnville, and the canal carried through the Boulton (Selkirk) tract, at an additional expense of many thousand dollars in the outset, and a permanent charge for Berm embankments which appear chiefly to serve Mr. H. J. Boulton, and Mr. Thomas Merritt, Junior.

The extra report of the Directors, signed by Mr. Dunn, and published by order of the Board, June 6th, 1829, gives some account of the difficulties they had as to the place where a dam might be built. They say "it was intended that the dam should be "constructed across the Grand River about 572 "yards from the mouth, at the upper end of the "naval establishment." Commodore Barrie objected, and they then selected another site five miles up the river. They add—"The objections advanced "by Commodore Barrie, *extend to this site also, and* "*indeed to any that might be proposed within the* "*whole navigable line of the river*, extending to the "first fall, about 18 or 20 miles from the mouth."—With the sanction of Sir J. Colborne it appears they constructed the dam where it now is notwithstanding the Commodore's protest; why could they not have done it in the most advantageous place as well, seeing the Lieutenant Governor was willing, and the objection the same to one place as to another?—Where the dam now is, gravel is very dear—it has to be brought up in scows from the river's mouth—a distance of five miles.

In their report for 1832, page 12, the Directors gave the following version of this Boulton's job, and declared that only £10,000 of additional expense were incurred, besides the permanent injury of the navigation being extended five miles up the Grand River. They forget the cost of Merritt's Berm Bank, and the keeping in repair these five miles—but complaint is unavailing, Upper Canada MUST pay for all.

Extract from the Directors' Report, March, 1833.

"The best situation for building a dam across the Grand River, "was about half a mile from the mouth; where the ground was "marked out, the work placed under contract, and about £400 "expended; when, by the representations of Commodore Barrie, "a stop was put to the work, and the Company were compelled "to select another situation five miles up the River, and cut an "entire new feeder that distance, at an additional expense to the "Company of at least £10,000."

On this subject I select a letter of Mr. Barrett, the Engineer, who had he been left to exercise his own discretion, would have acted with good judgment, but he was perpetually interfered with by Mr. Merritt and others interested, and had either to yield to their views or leave the work.

(OFFICE COPY.)

To the President and Directors
of the Welland Canal Company.

GENTLEMEN,

I send you herewith a detailed statement of removing the Dam five miles in the interior as well as the cost for enlarging the Canal to its proper dimensions—

The former amounts to.....	£4,605	5	0
The latter.....	9,228	15	0

My reasons for selecting the lower situation in the first instance was

1st. It gave a large and commodious harbor of 36 chains from the end of the piers to the dam, averaging at least 5 chains in width, capable of containing any number of vessels that may navigate those waters for ages to come, even had there been no lock in the dam to pass through at pleasure—which it is our intention to construct.

2d. It was the first and best position below Broad creek; above which I never contemplated building a Dam, from the difficulty which presents itself in crossing this stream, and the distance it would prolong the end of the Canal before entering the Grand River.

3d. Since our being compelled to relinquish this situation and to select another above Broad creek, the first and best is 5 miles from the mouth, where the dam is now constructing.

The difficulties of this situation however are not inconsiderable, in the first place it prolongs the canal near five miles, which will compel the Company to raise the dam near six inches higher than *below* to maintain the head heretofore calculated upon.

It removes the most desirable commercial and manufacturing situations five miles from the direct line of the canal, consequently must take every vessel which goes to that place for loading ten miles out of the way, and in no way increases or improves the navigation in the interior for that distance.

I therefore conceive the additional expense incurred by the Company a total loss to them without any corresponding benefit whatever besides retarding the completion of the Canal at least two months, and the expense of keeping up two to three miles of additional embankment besides waste weirs, waste gates, guard gates, &c

I am,
Gentlemen,
Your Obedient Servant,
A. BARRETT,
Pr. Engineer, W. C. C.

WELLAND CANAL OFFICE,
St. Catharines, June 30, 1829.

This Boulton job is as bad as that of the four mile circuit to oblige Mr. Merritt, down at St. Catharines. Even Captain Creighton, in one of his official letters, expressed his unqualified contempt for Boulton and his abettors in this robbery of the public:

Extract of a letter, Ogden Creighton, Esq. Director of the Welland Canal Company to W. H. Merritt, Esq. dated York, January 13, 1832.

"I told the Attorney General his berm bank was to be made; when he said "it was very hard I should call it his, as he had only the health of the people in the neighborhood at heart in urging its completion, as Mr. Randal had told him expressly the inhabitants were, or would, suffer greatly from sickness if it was not made." I do not think it necessary to assure you how very kind hearted and considerate this said Attorney General is in his nature; yet as it may be news to you, I must inform you, he apes at being disinterested in the bargain! poor fellow! what a pity he chose so vile a profession as the Law—his virtues might have done him great honor in the Church!"

(Office Copy.)

York, *May* 20, 1829.

Sir:

Mr. Phelps has made the Company acquainted with your present ideas respecting the most proper situation for the dam across the Grand River, which you think ought to be somewhat lower down than that selected when the Directors were over. It was intended by the Directors to leave with you the discretion of making any alteration that you might think expedient, with the understanding that the dam should not be placed within two miles of the mouth of the river, and that you should not deviate greatly from the site approved of by the Directors without first acquainting them. The change you suggest is such as you may adopt if you are decidedly of opinion that it will make the dam more secure, which is the first object.

I am Sir,

Your obedient servant,

JOHN H. DUNN,

President W. C. C.

Mr. Alfred Barrett, *Engineer.*

The Chief Justice (Robinson) then Attorney General, wrote Mr. Merritt from York, April 30th, 1829:

"Sir J. C. will authorize a dam any where above two miles from the mouth (meaning the mouth of the Ouse or Grand River) and perhaps if he were convinced the *necessity* was absolute he might do more."

Notwithstanding this offer, Messrs. Dunn, H. J. Boulton, C. J. Robinson, Keefer and Lefferty, determined, May —— to fix the dam between Moulton and the Indian lands, and they agreed to take it down whenever the Government should desire them to do so.

At the other end of the canal there is a creek called *the twelve*, upon which Mr. Hamilton Merritt had a mill which seldom had water to impel it, and was worth little. This mill and some improvement on it, and a few acres of land, were sold to the Company for £600—£30 of interest, and £678 of allowance for repairs to the mill. Had the canal gone in the straight table land course which the Engineer Mr. Hall has pointed out, it would have been nearly four miles shorter between Thorold and Port Dalhousie, which is a great advantage on a ship canal, but Mr. Merritt had influence to get it carried into the Twelve Mile Creek round about by St. Catharines, and close by his lands and property there, and by his mill. Besides the increase of distance, a perpetual bill of expense is incurred by having the locks in the bottom of the creek and subject to injury by freshets which it is often very difficult to repair.

York, 15*th January*, 1825.

Wm. Hamilton Merritt, Esq.
St. Catharines.

Dear Sir:

I am happy to hear such good accounts of your rogres the canal, and think with you it would be very desirable to get the aid of Parliament. What the feeling of the House can be I cannot pretend to say, being a stranger to the most of the members. If anything however is intended it should be brought forward by petition from the Directors stating how they could pay the interest, and secure the ultimate payment of the principal.—If it is go to Niagara I doubt whether Government would encourage it. If it were sure to come to the 12, I would be inclined to think otherwise. I had an idea of offering to take stock in the canal to the amount of $10,000 if they would take 10,000 acres of my land in a block where they please, and pay me $10,000 in cash by instalments. This would be only $2 per acre, which by taking the canal through it, would raise it to $6 or $8, and would give the canal the benefit of its own improvements—besides this land would be taken in payment by the workmen most readily.

If a petition is brought forward you should come with it, as an experienced person would accelerate the business much.

Yours truly,

H. J. BOULTON.

York, 20*th February*, 1824.

Wm. H. Merritt, Esq.
&c. &c. &c.
York.

Sir:

It occurred to me after I had the pleasure to see you on the subject of the proposed canal, that instead of my name being as you mentioned at the top of the list, that you should solicit the countenance of His Excellency the Lieutenant Governor, whose name would stamp the character, and secure the support of Upper Canada. His Excellency's sentiments at the conclusion of the last session are very flattering indeed, and the view he was pleased to take of the matter, that you will not apply without success, in addition to which it will add to the Governor's property, if not, it will be a very desirable object from his residence. The little support I can give in my small subscription is all I am able to do, which is only to assure you how much I should be gratified to see so laudable a project carried into effect. At the same time I will use all the means I can make use of in promoting the under-aking

I have the honor to remain, Sir,

Your obedient servant,

(Signed) JOHN H. DUNN.

Friday, 11*th March*, 1836.

Committee met.

PRESENT.

James Edward Small, Esq., *Chairman*,
Messieurs Chisholm.
Gibson,
M'Donell.
Parke.
Roblin.
Shaver, and
Thorburn.—8.

Mr. Newlove *again called, and further examined.*

[By Mr. Mackenzie.]

345. It is assumed that £1,340 and upwards were paid from the Canal funds in 1825, to Theophilus Brundage, for timber of a large size for a tunnel, and never used for that purpose, and that no part of the proceeds of 200,000 square feet appears on the books, and that it has not been accounted for in any other way. As you were continually on the Canal, perhaps you can tell what became of the timber?—A good deal of it I can—I know Mr. M'Micking bought some of it. Mr. Phelps employed me to draw perhaps 40 or 50,000 feet to the first lock below the mountain. Mr. Phelps drew a good deal of it himself, perhaps as much as I did—I suppose that Phelps und myself and those I employed drew all that was fit for locks. I was to draw none but what

was a foot square and upwards. I drew some for Mr. Phelps to build a Presbyterian Meeting House with, and some to build his own Store and machines with—I heard it said that some of it floated down the Falls of Niagara.

346. Do you know whether any shanties were built with Brundage contract timber?—No. I believe not a stick was taken of that pine timber. We all built our shanties with wood, which was easy to be had. One Rolly got some sticks of white oak, but I do not know that it was the timber of Brundage's contract.

347. Are you aware that Hovey, Ward & Phelps, were obliged to supply themselves with timber for the lock contract, and not to receive timber from the Company?—They told me that they were. Hovey recommended me to Phelps to draw the timber—I asked Hovey what Phelps would give me per foot for drawing it—he told me that Phelps could not afford to give me a great price, as he had the timber to pay for to the Company.

348. How much of Galbreath's Gravelly Bay contract was left unfinished when you finished your contract for section 10 & 11 in the fall of 1832—and was there any greater difficulty in finishing No. 13 than you had to contend with in completing sections 10 & 11 below it?—To the first part of the question I answer I do not know, and to the latter part I answer—No. No. 13 was, I think, a foot higher than No. 10 & 11 which I done

349. Are you aware of the amount or value of Mr. Galbreath's contract for Sec. 13, Gravelly Bay route—could it have amounted at 13 cents to upwards of $5,000, including an extra allowance of $200?—No, I don't think it could—he had not half so much to do so I had—Galbreath gave his job up, and so did every one else but myself.

350. Do you believe there was 26,748 yards of excavation in Section 13, this being the quantity allowed Galbreath over and above an allowance which appears to have been made to Donaldson?—I think there was something like that in each of my sections, and I should think there was something like that in 13.

351. How wide was the bottom cutting by you in Nos. 10 & 11, and by Galbreath in No. 13?—Part of mine was 30 feet bottom. I do not know, but I think Galbreath's was 20 feet. I believe they calculated all to be 30 feet in the first instance, but there was difficulties occurring which were supposed to be the want of money, which caused alterations to be made.

352. Oliver Phelps claimed and was allowed a large sum for taking out roads at the Deep Cut. Did you make your roads at your own expense when a Contractor there, or was Mr. David Thompson, Messrs. Ward & Hovey, and yourself, paid like Mr. Phelps for these roads?—I do not know what Mr. Phelps was paid, but I never was paid, nor Ward & Hovey any such charge, although Hovey, Ward and myself often applied to Mr. Merritt for such allowance, and his answer was always the same, viz: "How did you expect to take the dirt out of the Canal without roads?"—Hovey, Ward, and myself ought to have been paid a great deal more than Phelps was. He cut his roads principally in the same way that we did—ours cost three times as much as his did, for want of the use of machinery—we cut ours at right angles with the Canal, but he cut his slanting. We were prevented in the first instance by Mr. Clowes from making our roads as Mr. Phelps made his.

MR. PHELPS' *evidence was read to witness.*

353. Referring you to Mr. Phelps' answer to question No. 238 regarding deep cutting on Canals, I would like to obtain your opinion as to the relative value of the first 10 feet cutting to each foot below?—I would rather take out the bottom than the top at the relative price as stated in Mr. Phelps' evidence, or at ½ a cent addition—I think the increase mentioned by Mr. Phelps is too much.

354. Did Phelps allow his sub-contractors on the Deep Cut over and above his agreement with them in proportion to the extra allowances made him?—I never heard that he did. I do not know that he was allowed any thing extra; he broke them all down but David Thompson.

355. Mr. Phelps says he bought all the shanties and paid for them. Did he pay for your's, or Rowley's, or Hartwell's?—He never paid for mine; he said he would buy my shanty and stable, but did not do so. He took possession of my poultry yard, my stables, and my granary, but never paid for them; he paid me 3½d less for my grain than I had offered for it.

356. Mr. Phelps says he lost oxen, horses, and other property, and it appears on reference to the accounts that he was very handsomely paid for these losses. Was he the only contractor on the Deep Cut who lost horses and cattle, or were others remunerated for losses?—I lost four of the best horses that were ever on the Deep Cut, but I was never paid for them. I never asked for pay; I have been a farmer almost all my life time and have lost many horses, &c., but I never asked pay for them from my landlord.

357. Was the part of the Deep Cut finished by Mr. Phelps of a harder description of soil as the depth increased?—Is Mr. Phelp's answer correct?—I think it was as hard within 12 feet of top as it was at any other place, and as many stone.

358. Did Thomas Merritt work as a contractor on the Canal when you was there?—Yes, he did.

359. Did you ever know him to begin and finish any of his contracts?—He finished his Gravelly Bay job at a great loss, but did not begin it. He began a large job at Cranberry Marsh, and I helped him to finish it.

[BY COMMITTEE.]

360. Are you aware of Thomas Merritt having been a favorite; and if so, will you state in what instances the directors shewed a partiality towards him?—I never knew that they did.

[BY MR. MACKENZIE.]

361. I see in the Company's books a bill paid you out of the Company's funds of £25 for the loan of a horse, saddle, and bridle, for the use of His Excellency Major General Sir John Colborne, Governor of Upper Canada. Surely all this money could not be for Sir John's horse; explain if you can how it

come to be paid out of the funds of the Welland Canal Company?—I received a letter from Mr. Black, the Secretary, saying, "I am desired by the Board of Directors to state that they and Sir John Colborne are coming to see the Grand River on a certain day. We are supplied with horses of Mr. Burgar's; if you have a horse fit for Sir John Colborne to ride on, I hope you have it in readiness on said morning, if not, get him one, we will pay the expense." On the said morning they did not come as early as he said they would, and I sent my horse to work. Afterwards, on the same day, I sent my horse to Mr. Burgar's, with a good saddle and bridle. Five or six days after I received a letter to meet the horse five or six miles from my place, but was without saddle or bridle—and I charged $1 a day for the horse, $18½ for the saddle, and $2½ for the bridle, to the best of my recollection. Mr. Dunn advised me to ask Sir John for the hire of the horse, which I refused to do, and then sued the Company.

[By Mr. Merritt.]

362. You say you was employed by Mr. Phelps to draw 40 or 50,000 feet of timber, not under 12 × 12; from where did you draw the timber, and which of the two locks under the mountain did you deliver it at—above or below Vanderburg's?—I drew it from Brown's at the Chippawa, where the timber was lying in a field, and I drew some out of the Chippawa River to the locks below Vanderburg's—Mr. Phelps paid me, I do not recollect how much.

[By Committee.]

363. You state you have been caught too often on that canal, will you inform the committee if you have been caught in any other instances than you already have stated, by the Directors of the Welland Canal Company or its officers?—I have—When Mr. Merritt persuaded me to give in writing to the Directors what I thought it was worth to take the whole width of the Deep Cut down at once, and what it is worth to take the ditch down, I refused to do it for nearly two days, telling him (Mr. Merritt) I already had a contract or a promise from the Directors that I was to go to bottom of said job either the whole width or the ditch as they thought proper—no price was to be set by either them or me; my work was to be measured and valued by the Company's Engineer, Mr. Barrett. I told Mr. Merritt that was my agreement with the Directors, if I now set a price on it it will be doing away with the bargain I have already made, that I should be using Mr. Barrett very badly, by first agreeing with the Directors that he should measure and value my work, and before one month setting my own price on it, it would be entirely doing away with what I had already promised. I think Mr. Barrett is a gentleman and will allow me a fair price for my work, and I ask no more—therefore I won't say what it is worth. Mr. Merritt told me that that should have no weight with Mr. Barrett—that it was for another purpose altogether. I said "do you think that this will have no weight with Mr. Barrett?—when I've agreed with the Directors without either me or them having any thing to say about the price for the work, and now you want me to come forward to say what it is worth. I will never fly into the face either of Mr. Barrett or the Directors; I can finish my contract by Mr. Barrett's value; he knows the worth of the work." Mr. Merritt again said, "I tell you it shall have no weight with Mr. Barrett whatever;" I told him it could not be otherwise, but have weight, and therefore said I would not give it. He still insisted that I should give it in or it would be worse for me; he said—"you have no occasion to dispute with the Directors above all folks." I then told him I would give it in writing how much it was worth more per yard to take down the ditch than it was to take down the whole width—but I would not say what I will take it for—if I did I was sure it would do away with the bargain I had already made. He told me "upon the points of honor it shall have nothing to do with the bargain you have made with the Directors, nor any weight with the Engineer. The Directors mean you to finish the job according to your bargain, this what I am aking you now is for another purpose entirely—Mr. McTaggart is writing against the Directors of this Company saying how much cheaper he could swim it out than they are getting it out by yours and other contracts." I asked Mr. Merritt if that was all he wanted; he said the Directors would not take upon themselves to say whether they would take it out as we were doing it, or whether they would follow McTaggart's plan. I then told him—"If that is the case I see into it; they cannot wash one part of the ditch out and let me cart the other part out—I will then say what it is worth more to take out the ditch as we are now than it would be to take the whole width down at once; but I will not say what I will take it for." He told me that would not do, "you must comply with what I've said, viz:—the Directors have always been in favor of you I tell you again—the Directors have nothing in view but your finishing the job at the bargain you made." I then believed him, and wrote or signed my name to what he told me to, with another promise that that should have no weight with the Engineer, and notwithstanding all that had just occurred between us, in two hours he (Mr. M.) came out and told me amongst other contractors the following, viz: "Gentlemen, you may all retire, Mr. Phelps has taken the whole of the Deep Cut."—I said to Mr. Merritt "are you such a man as that after making me the promises you have"—he turned away as though he did not hear me, with an air of disdain.—I turned to Hathaway and said "Mr. Merritt has coaxed me out of $2,000." I would not have given up my contract for that sum: that was the first time I had been deceived by him under the Welland Canal. I then was entirely thrown out of the work, and after some time I hired my four sons, six yoke of oxen, two span of horses, and myself, to Mr. Phelps for any thing he would give me. As soon as Mr. Phelps could conveniently turn round he discharged me, and then I had my living to seek other ways.—For that month's work in which Mr. Merritt induced me to sign the paper I had cleared, free of all expense, $600.

After the death of Hartwell, I was persuaded by the Agent and Directors of the Company to take my teams and sons from Monson at $5 50 per day to assist in finishing Hartwell's job. I worked about two months and a half, and I paid out $624 96;—also boarded a great many men, and my own services for the benefit of the canal, and never received a dollar for it. This is the second delusion of the Com-

pany. At the end of that job my wife took sick and died, and I was obliged to borrow $20 to bear the necessary expenses of her burial. I was left without one single shilling—and I have not received one farthing for all the outlay on that job of Hartwell's from that time to the present.

In the Spring of 1831 I took another contract on the Gravelly Bay line of Sections 10 and 11, as many others did—We all failed, and all the rest of the contractors gave up their jobs, and many of them re-took them again at an advanced price: I offered to give up mine at the same time and pay the forfeit which my contract demanded;—Mr. Merritt, Major Randal, and Col. Warren, were the only Directors present, at the same time they persuaded me to go on with my contract and I should be as well used as they that gave it up and re-took it. I told them if that was the case I would finish my job if I lost $1,000 on it—as I had finished every other contract I would also finish that—and for which according to said promise I have never had any remuneration yet, and indeed had to sue the Company for the amount due me according to the original contract. The reason of my wanting to give up the said job was on account of having so much more water than was expected, as may be seen on referring to the annual Report of the Board of Directors of 1832, page 13, viz:

"From various delays in exploring the different routes the work "was not put under contract until late in the season; and very "little progress was made in it, from the heavy rains which pre- "vailed during that year, and the peculiar situation of the route, "which could not be drained until back ditches were formed "nearly the whole extent of the cut; in consequence of which, "together with the low price at which the work was taken, every "contractor on the line, WITH ONE EXCEPTION, failed to finish "his work, which had to be re-let to other contractors."

SATURDAY, 12*th March*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, Esq., *Chairman.*
Messieurs Chisholm.
Gibson,
McDonell,
Parke,
Roblin, and
Shaver,—7.

FRANCIS HINCKS, Esq. *called in and examined.*

[BY MR. MACKENZIE.]

364. You have been employed with James Young, Esq., to balance the Welland Canal Company's books, and to examine into certain charges I had made respecting the financial management of the Company's affairs?—I have.

365. Has there been a regular cash account kept by the Company of the cash transactions, and do yon consider such an account or book as an indispensable requisite to a regular system of accounts?—There has not been such an account kept, and I think such an account indispensable to such a concern as the Welland Canal Company.

366. Do you consider that the books of the Welland Canal have been kept on the Italian method by Double Entry?—Only in part.

367. Do you find that the petty books kept for the convenience of making settlements with contractors, agree with the regular books of account in their results?—They very often differ materially.

368. In what respects do they disagree?—In examining the accounts of individuals in the Leger, which ought to shew the true state of the account, I found different sums charged on the great leger from what was charged to the same party in the petty leger, both on the debtor and creditor side.

369. Do you find the vouchers of such a doubtful character that it is often of little service to have reference to them?—Many of the receipts and vouchers are in the hand-writing of the Secretary of the Company, and executed by the persons professing to have given the same with a mark only, and without any witness to verify the same; and there are some large sums for which there are no vouchers, particularly those paid out of the toll and forwarding.

370. Is the expenditure of £579 12s. 3d. of a balance of Grand River money, first charged in the great leger to George Keefer, but which it appears by that leger and the cash journal, he never got, satisfactorily accounted for by the Company or its officers in any way? Or does the statement of Messrs. Bowery & Burns, since approved of by the Board of Directors, shew that this money has been satisfactorily accounted for?—I consider the entry to have been improperly made, and that the manner for expending it, as stated in Messrs. Bowery & Burns' Report, is unsatisfactory. It is impossible to say whether that particular sum, as stated in the former part of the question, remains unaccounted for—it will depend upon the balance of the cash account when all the alterations are made.

371. The balance sheet presented to the House of Assembly for 1832, and now shewn you, states the whole £1370 2s. 03d. borrowed from the Bank of Upper Canada to pay the claimants on the Grand River, to have been appropriated for that purpose—was that a true statement?—It was not. £1370 2s. 3d. appears in the balance-sheet as paid to Mr. Keefer—it is not correct; as it appears by an entry on the books on the 17th June in the following year, that Mr. Keefer never got the whole of the money in question, that he only got £790 10s.

372. In the case of the Grand River moneys, and many others of a similar nature, are not the Company's books of account full of false and erroneous entries?—There are a great many of what I conceive to be false and erroneous entries. The sum last mentioned is the only one I have noticed as being connected with the Grand River moneys.

373. The sum of £149 12s. 8½d. was paid Mr. Merritt in 1832 out of the tolls, on his salary; and the sums of £37 10d., £40 11s. 6d., and £11 5s. 7d. were also paid him on account of his salary in the same year. He was further allowed interest on arrears of salary for that year. These sums amount to £238 19s. 9½d., paid Mr. Merritt three or four years ago. Has he been charged with any part of this money in any way or shape on the books of account up to this day?—The sum of £149 12s. 8 1-2d. was paid to Mr. Merritt, and there was an order of the Board that he should be charged with it; he is not so charged, but that sum is charged to toll at the end of the year 1835. 2d. The sum of £89 7s. 1d. is charged to salaries, Nov. 1832, as paid to Mr. Merritt, but this sum is not deducted from his next quarter's salary. Mr. Merritt was paid interest on the balance of his account after the time the above-mentioned sums were paid.

374. Was not Mr. Merritt himself the Secretary of the Company from June till the latter part of Nov. 1832?—It appears by the minutes of the Board that Mr. Merritt was appointed Secretary, but I see no proof in the books that he acted as such. It appears by a contract placed in my hand, dated Sept. 1832, that Mr. Merritt signed the same as Secretary to the Company.

375. I would now ask you, as an accountant, whether out of an income of £400 a year, which was Mr. Merritt's salary in 1832, you consider it probable that a man could have been paid on his salary in one year about a thousand dollars without knowing it either then or since?—I consider he could not.

376. Mr. Merritt is entered by the clerks as having received salary at the rate of £400 a year as agent, from the first of Jan. 1834, although the office was vacant, and as such offered to W. B. Robinson, Esq., on the 5th of Feb. thereafter, and there is no order of the Board to authorise such payment. Is not this an overcharge?—I could see no order for his being paid previous to his appointment. It appears to be an overcharge.

377. There is an entry of $30 stated as having been paid to Mr. Clark under the title of "Salaries," in Nov. 1832. Does not the full salary appear to have been paid Mr. Clark over and above this sum?—Yes.

378. Was not £75 paid out of the tolls of 1832 to Thomas Merritt, Jr., and not only charged to him, but he even allowed

interest on his account in 1833-4, as if he had received no such payment? And is not this sum only charged to him last Dec., and also the £50 not charged to him through the erasure, chargeable to him with interest?---Yes.

379. Were the accounts of the tolls and forwarding honestly and fairly entered on the Company's books for the years 1830, 1831, and 1832, so as to enable the officers to shew correct and accurate balances of their accounts? Or were these accounts for the greater part withheld from the books of account until Dec. last, and then entered defectively and improperly, and so as not to shew the actual sums due by their officers?---The accounts of the toll and forwarding for the years 1830, 1831, and 1832, have not been fully entered on the books in Dec 1835, and then upwards of £1000 received for forwarding in the years 1830 and 1831, have been short-entered, for which, however, the forwarding agent (Mr. Clark) hands in an account of expenditure for forwarding, within £254 of the amount, about which sum he states having been received by the then Secretary (Mr. Black.)

380. I have stated the difference or balance of cash in hand in the Company's coffers from tolls and forwarding as being more than they had entered it on their books by the sum of £782 1s. 4d., after making Mr. Merritt debtor to cash for the £149 12s. 8d. he had in 1832. Is the defection as I have stated it, and if so, be pleased to state the reasons?---The balance on the toll accounts for 1832, stated by you, is £782 4s. 4d. is I conceive, correct, and arises from Mr. Young and myself in our first balance of the books having given toll account credit for the amount charged in the cash journal, as paid from toll, while it appears that the sums paid to Yates of £300, £447 17s. 10d. for Steamboat Peacock, and some smaller ones, were already charged to toll account on the books of the Company. It appears these sums are first charged in cash journal in Nov. 1832, and are again charged in Dec. 1835 in same book.

381. Mr. Clark has received a credit of nearly £700 as payments made out of the proceeds of toll and forwarding for 1830 and 1831 to the Schooners Canadian and Prosperity. Was he able to produce any vouchers or receipts to shew that he was entitled to a credit for any part of that sum, or did he shew that his accounts were ever credited by the Board of Directors for these transactions which occurred about four years ago?—Mr. Clark takes credit for £716 4s., disbursed out of the toll and forwarding of 1830 and 1831, as paid for freight to the Schooners Canadian and Prosperity, for which he has no vouchers or receipts, but there is a statement in detail of the amounts credited to those vessels for each trip, in a toll book for that year---there is not any particular order of the Board for the payment of those sums, but the Company were acting as forwarding agents at the time.

382. Did you remember who is stated on the books to have been the owner of the Prosperity at that time?---I do not know that there is any statement on the books of who was the part owner, but the balance due to the Prosperity appears to have been carried to the credit of Mr. Merritt; and Mr. Clark stated that Mr. Merritt was the part owner.

383. Can you state the nature of the agreement made with the Peacock steamer, the sum paid for a deficiency of returns, and whether this deficiency is not part of it thrice charged on the Company's books, and the other part of it twice?—It appears on the 29th of March, 1830, an agreement was entered into between Mr. Reed of Erie and Mr Merritt, that he (Mr. Merritt) was to pay $2500 for the use of the Steamboat for the season. On the second of June following there is an order of the Board to charter her, if got for $2000 or less, for the use of the Company. She does not appear to have been employed until July, and the amount paid her was $1666 66 cents; there is only the balance of her account carried into the books, which was, as I have before stated, charged twice to toll, the sum of £79 16s. 11d. paid for wood is included in the amount charged as lost by her; this sum was already charged to the persons who furnished the wood---Silas St. John, Coulter, and Watson, so that this amount appears to have been charged three times to the Company.

384. In folio 328 of the cash journal (Dec. 1835) £50 5s. 7¾d. (a sum within one farthing of the journal entry respecting which the T. Merritt erasure took place) is debited to toll, as toll on canal boats employed in transit in 1830 and 1831, which sum does not appear to have been credited to toll, or to have made part of the gross receipts of those years. Was any reason given by Mr. Clark for deducting these sums from the tolls of these years, or any vouchers shewn? and under the circumstances is it a charge which ought to be allowed to an officer?---The sum of £50 5s. 7¾d is charged as toll paid on canal boats employed in transit, for which Mr. Clark could shew no voucher, but said he paid it---that amount does not appear to have been credited to toll. I am not prepared to say that Mr. Clark should be refused credit for that particular amount, under the circumstance that the books have been always irregularly kept, and the Directors it is to be presumed not having been very particular in insisting on proper vouchers.

385. The sum of £38 15s. is debited to toll in the same page of the Co.'s cash journal (328) as "amount paid toll on stone for dam and tow path." Is it not entered under the same circumstances as the £50 5s. 7¾d. in the last question? Or has Mr. Clark shewn that that sum was paid or allowed to any person or persons whatever?---It is entered under precisely the same circumstances as the sum mentioned in the last question.

[By Committee.]

386. Can you find where the entries £50 5s. 7¾d. and £28 15s. were taken from?---No.

[By Mr. Mackenzie.]

387. Are you prepared to offer an opinion as to the manner in which Mr. Clark's toll and forwarding accounts are kept and made out?---I think they have been very irregularly kept and made out.

388. Are not the entries for the toll and forwarding accounts of the Company in general, very confusedly and improperly made on the books of account?---The entries, with the exception of those for the years 1834 and 1835 have been very confusedly and improperly kept.

389. Has any reason been assigned to you why the receipts and payments from toll and forwarding in 1830 and 31, and of tolls in 1832 and 1833, were delayed to be entered in the books of the Company in a great measure until the month of December 1835?---No there has not; I am not aware that I ever asked the question.

390. The Directors have, at a late Board, approved of Messrs. Bowery and Burns' Report on the Company's financial management. I would ask whether, after balancing the books as they were handed to you by the Company's officers, and since hearing my objections to their accuracy, are you enabled to express an opinion of their character---are they not disreputable to the Board of Directors of a great corporation like the Welland Canal Company?---From what I have heard of the manner in which Messrs. Bowery and Burns examined the books I do not think it possible that they could have formed a correct opinion as to the manner in which the money was accounted for, which appeared not to have been charged to cash. The books, particularly at the end of the year 1833, were in such confusion that I do not think any accountant could satisfy himself as to the effect of the entries objected to. I do not think that the books have been kept in such a manner as is creditable to the Company.

391. Would you have the goodness to state the way in which the proceeds of the £1340 7s. paid to Theophilus Brundage for square timber in 1825, are accounted for on the books or whether they are at all accounted for?—I see no statement on the books accounting for the £1340 7s. which at present stands at the debit of Theophilus Brundage. It appears by the minutes and other documents that this money was paid him for timber for the tunnel, but he has as yet got no credit for any estimate or timber delivered, nor could I find from the books of account that there was any credit for that timber.

Monday, 14*th March*, 1836.

Committee met.

PRESENT,

James E. Small, Esq. *Chairman.*
Messieurs Chisholm,
McDonell,
Parke,
Roblin,
Shaver.

Mr. Hincks, *again called*

[By Mr. Mackenzie.]

392. Has not Mr. Clark a credit on the Company's books in 1831 for £85 as paid for horses forage &c. —Is there any detailed statement to shew who got the amount, or that any one got it, or any voucher?—There is such a credit and Mr. Clark could not give any detailed statement shewing who got the amount, nor is there any voucher.

393. Mr. Merritt appears to have received, several years ago £600 of principal, £30 of interest for awards, and £678 for repairs &c. to his mill—Did it appear by the examination of the deeds in the possession of the Secretary that Mr. Merritt had conveyed that property to the Company?—There was no deed from Mr. Merritt among the deeds which I was shewn as those belonging to the Company. The Secretary stated that he did not know of any deed.

394. Has it appeared to you that the sum of £2000 borrowed on the 14th of February, 1834 of the Commercial Bank, and for which £30 11s. 6d. of interest and £10 of agency are charged to the Canal Company was applied to the purposes of the Company either in whole or in part, or is the loan entered in the Company's regular books?—The sum of £40-11s. 6d. is charged as interest and agency as paid to the Commercial Bank, and I see no entry on the books of money being borrowed from that Bank.

395. Does it appear to you that a regular and correct balance has ever been made of the Company's books since the commencement of their operations until now?—or that even a trial balance has been taken to test the accuracy of their debts and credits?—No.

396. Are the $30,000 of provincial stock of 1833 given to Messrs. Macauley, Robinson, and Shade, to expend on the Canal in that year entered up to this date on the Canal Company's Books?—or the details of the expenditure of the money?—No.

397. Is the charge by Mr. Walker of Quebec of one half per cent for receiving and paying the £25,-000 Lower Canada stock, and the charges of per centage by the New York and Canada agents fair and reasonable?—I consider Mr. Walker's charge of ½ per cent for collecting £25,000 from the Government of Lower Canada to be too much; his charge of 1½ per cent for collecting the stock of individuals in Lower Canada is also I think too high, but of this it is difficult to form an opinion without knowing more of the circumstances, the same remark applies to the charge of 1 per cent by Messrs. Yates & McIntyre.

398. Would you have the goodness to state to this committee the effects of the disappearance of the great general estimate of £28,000 and upwards for November 1832, and which is entered in the minutes of 1833 without mentioning its amount or giving any details?—A person examining the estimates is obliged to assume that the copy is correct.

399. After carefully balancing the Welland Canal Company's Books of account with Mr. Young, and examining the several improper entries to which I have since directed your and his attention, and after hearing such explanations as the officers of the Company have thought fit to offer on the several items, I wish you would have the goodness to state the amount of loss the Company would have sustained, or were liable to sustain in conseqnence of these improper entries, had they not been pointed out—I wish this question to be considered as having no reference to the state of Mr. Robinson's accounts, as you have not yet fully examined them?—I think about £1700, which includes amounts over credited to individuals for which no satisfactory explanation has been as yet given, and sums charged twice over; after deducting sundry errors which had been made against the Company.

400. Express your opinion on the supposed debt of £30 5s. 5d. by Beattie & Co. for which the officers have obtained a credit in folio 189 of the leger without shewing any corresponding estimate of the Board?—There appears by the books to have been paid to Beattie & Co. in the year 1829 a sum of £30-5s. 5d. for which they have no credit it stands at present to their debit on the books, though there have been several transactions with them since which have been closed.

401. Have you seen any entry on the Books of account to shew that George Keefer Esq. has ever paid any rent for the privilege he has enjoyed of water to turn four run of stones, out of the canal since it was first opened?—No.

402. What amount of rent appears by the books to have been received by the Welland Canal Company from the Hydraulic privileges from the opening of the Canal to the present time?—£454 7s. 9½d. since the Company repurchased the works from the Hydraulic Company and £100 some years ago, being the rent of a mill.

403. Mr. Clark was appointed by the Welland Canal Company first bookkeeper and then Secretary;—Is there any part of the books of the Company—I mean the Cash and stock journals and great legers in his hand writing—so far as these books have come under your observation?—No.

404. A large sum (I think £100 and upwards) is charged the Company as payments made in 1834 for the detention of vessels, which has not been deducted—Have the Company's officers been able to produce any vouchcra to shew that this money was so paid?—There were no vouchers for the sums paid for the detention of vessels.

405. In your balance sheet and great leger I find the Rev. Michael Harris entered as creditor of the Company for £25, Barton Farr for £37 10s., and Jesse Wilson for £37 1s. 1d.—were not these sums paid the parties long ago? and is it not elsewhere so stated?—The several amounts stated in this question have been paid and charged to awards and consequently should not now be at the credit of the parties.

406. How much money had all the directors paid in on their subscribed canal stock from the commencement in May 1824 to the 26th day of March 1825?—£15 12s. 6d.

407. State the way in which the account of the sale and repurchase of the Hydraulic privileges and canal lands appear on the Company's Books?—The original sale of the lands and privileges for £25,000 is not entered in the Bocks of the Company, the first years interest is charged to Mr. McDonell but the second is only entered in a petty book, none of the interest appears to have been paid in cash by the Hydraulic Company £968 was allowed by order of the Board out of the first year's interest and £500 out of the second, the balance of the second year's interest £1333 5s. is settled by a credit being given Mr. McDonnell for £1575 interest on £17,500 Bonds given to the Hydraulic Company for the repurchase.

408. Can you describe the way in which the £25,-000 mortgage from Mr. Alexander McDonell, agent to the Hydraulic Company, to the Canal Company, is executed?—The mortgage which I saw appears to be executed in blank, both as to the day and

month when the principal and interest should be payable—the instrument is dated the 4th day of April 1833—And the principal payable on the day of in the year 1843.

409. £137 10s. of a balance is entered against William Orderly and then this balance is omitted to be carried down, and the following year Orderly is paid by a note £70 or £80 of a supposed difference then appearing at his credit, seeing that the petty leger differs from the regular books in this case, does it appear to you probable that Orderly was paid £132 by mistake or that the vouchers shewn to support this improper account are of a creditable character?—The sum of £137 10s. appears at the debit of William Orderly on the books since the year 1832—there have been several transactions with him since that time—the old balance has not been brought forward, and I think from examining the petty leger that there is that amount charged to him which he never got, supposing the estimate to be correctly credited to him. There are vouchers for the sums of £100 and £37 10s. but not for the whole of the payments which he is charged with; the vouchers have no signature but a cross and no witness.

410. Have you examined John Donaldson,s accounts and do you observe a credit of £58 18s. 10d. he was not entitled to in 1832, besides the sum of £200 and upwards for which there was no estimate, except a paper put in, in 1835?—Donaldson is credited £58 18s. 10d. more than his estimate comes to, the original estimate for November 1832 is missing and part of Donaldson's credit in that estimate is on a slip of paper attached to the estimate book, amounting to £299 7s. 8d. I cannot tell when that paper, was attached to it—The over credit above stated is supposing that the amount on the slip of paper is correct.

411. Are not Johnson Orr's estimates over stated in the Company's journal and great leger and does not the petty books plainly shew that there are £16 which he is charged with, which he was not entitled to and never received?—The estimates are overcredited and the petty book shews I think that £16 is charged to Orr which he did not receive.

412. Are there not £25 entered as paid to Engineers salaries on the great leger for which there is no voucher to shew that it was ever paid, or to whom, while the whole of the salaries are settled for by other payments?—Is it not an erroneous entry?—There is £25 charged to salaries for which I have seen no voucher, but I cannot positively state that the whole of the Engineers salaries are settled for by other payments, it was at first improperly charged to salaries instead of Engineers expenses, and it does not state to whom or for what it was paid.

413. You have entered on the general balance sheet of the Company's affairs, made out by yourself and Mr. Young, that John Lymburner is a creditor of the Company for £62 10, and so he appears to be, on the authority of the great leger, folio 187; but is not this credit altogether erroneous, and was not Lymburner paid in full long ago?—Yes. Lymburner has been paid before, and the amount charged to awards, there should, therefore, be no sum at his credit, but the balance is not carried to the new leger, and, is, therefore, to be presumed that the Company would not have paid him again, though the amount remains at his credit.

414. Arthur Stone is entered on the Company's leger, folio 188, and in your balance sheet, as a creditor of the Company for a balance of £23 10—was not more than his claim paid him long ago, so as to leave him, in reality, a debtor at this time for $6?—It is a similar case to the last, and Shore is a debtor for £1 10.

415. Can you describe the effect of the erasure of a line on Oliver Phelps' accounts, by which a balance of £95 11 4 appears to have been extinguished in folio 157 of the great leger?—In Mr. Phelp's account in the leger a sum of £95 10 5 appears to have been erased from the credit side of the account, the amounts on the debit side are composed of several items, of which, the above forms a part, and which from a memorandum in the estimate book, appears to have been loans made to Phelps and re-paid by him—if such loans were not repaid, Mr. Phelps still owes the above balance.

416. John Boyle was a creditor of the Company in September, 1831, for an estimate of work done, the amount of which was £28 2 9—the Company placed funds in Mr. Black's hands to pay him in full, and Mr. Black immediately entered on the leger, folio 174, that he had done so—and in petty leger, that he had only paid £10, in part. Is not this sum of £18 2 9 again charged to the Company in the regular books, a note given for it in 1833, and paid out of the funds of the Company in 1834, and a new account opened with Boyle in the great leger therefor, as if it was a new transaction?—Yes. It is charged twice.

417. Is the statement given in by me, entitled "a Specimen of the Welland Canal Entries" a correct account in the case to which it refers, so far as the several entries are taken from the books?—Yes. It is correct.

418. Is the charge of £500 by J.B. Yates, for obtaining of the United States Bank the loan of £50,000 to the Welland Canal Company, on the credit of the Province, a fair business transaction, or is it exhorbitant and unreasonable?—I know nothing of the peculiar circumstances of the transaction referred to, but I think that for negotiating money of so large an amount when no personal responsibility was incurred, that the commission should not have exceeded ½ per cent., which is the commission usually charged by bankers and money brokers.

419. You perceive that the firm of Jack Toyne & Co. were paid in full of all demands against the Company in 1833, by notes, payable with interest, and which have been since paid them. Have they not, also, or some person for them, got a note for £24 1, and been paid that sum (with interest) for which they had no claim, and is it not entered in the cash journal as if it had been legerized, and yet, not legerized, nor any attempt made to detain it from Toyne and Co. in their late transactions with the Company?—The sum of £24 1 is due by Toyne & Co. from an error in not posting that amount to their debit, in consequence of which, they were paid a second time.

420. Is the charge of £12 9 3, made by Mr. Clark against the Company for Kenneth Reach,

(page 97, book C.,) a just and proper one ?—I think not.

421. Has not an improper charge of £12 5, been made against the Company by Mr. Clark in his claim for disbursements paid the late Mr. Randal, as per account, page 36, book B. ?—There appears to be that amount; part of a sum of £32 14, charged as paid to Mr. Randal out of the tolls of 1830 and 1831, for which Mr. Clark could give no satisfactory account or explanation.

422. In page 257 of the cash journal, there is an entry duly checked as if entered in page 402 of the great leger, of cash £50 and cash 5s 7½d, paid Thomas Merritt, Junior, from the tolls of 1833, and which £50 were duly paid him; this appears to have been duly entered in the leger, but is neatly erased, and the 5s 7½d only left—was not this £50 improperly obliterated from the leger ?—The sum of £50 appears to have been erased in the leger in Thomas Merritt's account, which appears to have been regularly posted from the cash journal.

423. Has not £15 5, regularly paid to George Smith, toll collector, been improperly charged a second time to the Company ?—Mr. Smith appears to have been paid salary as a toll collector, during the year 1833, which is properly charged to the toll of that year, on the 7th of August of the same year, contingencies is charged with the half of two months' salary up to 1st of August, £15 5. I cannot state that that salary is the same that is charged elsewhere.

424. There is a sum of £45 15 6 charged in the old leger as a balance for cash advanced to Thomas McChesney at Port Colborne, in 1832; and it is stated in the cash journal, that this sum was paid McChesney by order of the Board. Were the officers able to shew that there was any such order of the Board, or is not the debit of this money to McChesney improper—is it not cash for which the officers of the Company are themselves answerable ?—Yes. It should be to the debit of cash instead of McChesney, and it is a sum for which the officers of the Company should be themselves liable.

425. Are there many erasures in the Company's books—and, if yea—What is the effect produced by them, or what difficulties do they present to you, especially, where a whole line is erased from the leger, or an erasure made on the cash journal, a book of original entries ?—There are a good many erasures in the books, but I do not think that all erasures are improper. I think they would be found in almost all books of account, more or less. I am not aware that we had many difficulties in consequence of erasures, beyond what have been already mentioned.

426. The sum of £189 13 6 appears at the credit of the contingent account on the leger. Is not this at variance with the balance sheet given in, in 1830, by the difference between that sum and £213 8 6 ? and can you account for the erasure on the books in this case ?—It is the case, but I cannot account for the erasure.

427. Express the opinion you have of the entry of £50, as a supposed credit to James Sloan, on his harbor account, from folio 97 to folio 167, and on the erasures in these folios, and state the effect upon the balance due by Sloan by this £50 entry ?—There appears to be £50 improperly credited to Sloan, and consequently, he appears to owe £50 more than is brought down on the books.

428. Is not the £31 5 of interest on the £250 bill, of the 9th February, 1832, an over charge or charge made against the Company twice over for the same service ?—It is charged twice over.

429. Are there not errors of £24 9 and £64 11 3 of interest paid and not charged, in 1834 ?—Those sums appear to have been taken out of the Bank to pay interest on two notes, and it does not appear that they were ever charged to interest account.

430. Is it not evident that an improper or erroneous charge is made against the Company, in the matter of Robert Campbell, as per folios 122 and 126 of the minutes ?—It appears that Mr. Campbell is credited £76 8 6 more than allowed by order of the Board.

431. In folio 228, great leger, £11 19 6, appears to me to be placed at the credit of Daly & Co. more than the estimate of November, 1832 sanctioned.—Is this a fact ?—It is a fact, that the sum is over credited.

432. Have not large sums been allowed for alledged damages on goods forwarded by the Company without any order of the of Board and without any vouchers of the transactions ?—About £80 is charged in the toll expenditure for 1830 and 1831, as paid for damage on ashes and tobacco, forwarded by the Company, for which the forwarding agent (Mr. Clark) could shew no order of the Board.

433. Does not the practice of the officers, of entering sums voted by the Board of Directors, as if they had been immediately paid to contractors (as in the case of Boyle,) while, in fact, they had not been so paid to them, give room for great errors in the financial management ?—I think it does.

434. Have you not found many accounts of individuals which were marked in the journal as posted, and yet were not properly posted ?—There are but few, if any.

435. Did not David Thompson get a credit for £166 11 without the proper cash corresponding entry ?—Yes.

436. In page 246, of the cash journal, contingencies are charged with £17 1 2 for the detention of the schooner Cartwright, while it appears by page 33 of the toll book that £17 18 10 were paid in cash as an advance to the Cartwright, ought not the £17 1 2 to be at the debit of the vessel and not of contingencies ?—It appears to me that, that sum is improperly charged to contingencies. It should be at the debit of the vessel.

437. Are there not about £20 charged thrice in the cash journal, as paid from the Company's funds for Yates' pamphlets in 1834, and only one £20 corrected, so that there remains a double charge of £20 against the Company in this matter ?—Yes.

[Witness withdrew.]

Mr. John Dew, Engineer, *called in and examined.*

[By Mr. Mackenzie.]

438. You have been referred to by Mr. John Leys in evidence given by him relative to the Berm Bank contract by Rose and

Thomas Merritt, Junior. What do you know of Rose's proceedings in connexion with Merriit, relative to that contract?—I know little of the embankment referred to, but frequently saw the one that crosses close to Dunnville. 'I heard Mr. Rose say that he made a very good job it, and that he had got his money and cleared within about 3 months I think he said either £150 or £200. I saw him the day on which he got his last payment as I understood—he seemed highly pleased at the result of his undertaking. I remarked, I understand you have the other job, he said he had but not all in his own hands, he had a partner in the concern.—I said I thought he had better have taken it all to himself, than have a partner—he said he was more certain of getting the contract in conjunction with his partner who I understood to be Mr. Thomas Merritt. The impression on my mind was at the time that he (Rose) expected by receiving T. Merritt as his partner, that he (Merritt) would have more partiality shewn him than he would. He alluded to the contract across Mr. Boulton's land.

[By Mr. Merritt.]

439. What time did this conversation with Rose occur?—I think about the middle of September, 1834, but I am not sure.

440. Did he (Rose) say Thomas Merritt was concerned with him in that contract?—No. I understood he was not concerned with him in that contract.

441. Did you understand he was there at work on that contract?—I believe they had not commenced.

442. Did you understand from Rose there were any logs in the embankment alluded to?—Never.

[Witness withdrew.]

Friday, 15*th March*, 1836.

Committee met.

PRESENT:

James Edward Small, Esquire, *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Roblin,
Shaver, and
Thorburn—7.

James Young, Esquire, *called in and examined.*

The Clerk, by order of the committee, read to witness the evidence given by Mr. Hincks.

The examination of the witness was then proceeded in.

[By Mr. Mackenzie.]

443. You have heard the evidence of Mr. Hincks and have been associated with him as an accountant in the examination of my charges against the Company's books, and in the balancing of those books by order of the committee. Do you concur with Mr. Hincks as to the facts he has stated and the opinions he has expressed. Or if not, wherein do you dissent from his views?—I do concur in the answers by Mr. Hincks; (Mr. H.) and myself have examined the books together by order of the committee and my opinion is substantially the same in all material respects. We were generally satisfied as to a fact before we made a note of it.

[By Committee.]

444. Do you know any question that might be put to you that would tend to give further information to the committee as the result of your examination of the books and accounts of the Welland Canal Company?—Mr. Hincks and I have been called principally to the examination of those items pointed out by Mr. Mackenzie—in investigating these, we have also noticed any irregularities that appeared either in favor or against the Company.

[Witness withdrew.]

James Black, Esquire, *called in and examined.*

[By Mr. Mackenzie.]

445. How long were you Secretary to the Welland Canal Company?—Five years and one month.

446. What were your prescribed duties as Secretary?—To keep the books, receive and pay out the monies.

447. Why did you never keep a regular cash book shewing the actual receipts and payments made?—When I came to the office I began by opening a cash account in the leger and after making two or three entries was informed no cash account was to be kept, except at the Banks—there had been none previously kept, I think Mr. Wenham who acted as Secretary before me, gave me this information.

448. Was it not a law of the Corporation passed in 1824, that no money should be paid out by the Treasurer until the payment had been sanctioned by the Board of Directors?—I cannot recollect. It was a general understanding that that was the case.

449. When did you leave the Company's service as Secretary—and who succeeded you in that office?—I think it was in June, 1832. Mr. Merritt was appointed Secretary, and Mr. Clark was appointed Book-keeper.

450. Why have you never kept a bill book seeing you dealt so extensively in bills?—There never was one kept. I know of no reason why, except that the business of the Company was done through the Banks and they did not recognize business of that nature.

451. Have you never kept any regular book where your daily receipts and actual disbursements were invariably noted with the dates, and this book balanced every evening, week, or month?—I know of no other than my own private cash book.

452. Did not your system of keeping accounts occasion a great many false or fictitious entries?—There might be some fictitious entries in consequence of the pecuniary difficulties of the Company—monies that were advanced for a particular purpose if not so appropriated were used for the other purposes of the Company—I never used the power of appropriating the monies of the Company without authority.

453. And when you charged the uses of money in this way did you invariably correct the books so that the Directors on inspecting the books might see how matters really stood?—No, I did not. It would always appear by our own cash account.

454. Then I am to infer that while the books would shew to a Director fictitious entries, the only way in which he could find out the reality would be to inspect your private cash account?—Yes, this private cash account was always exposed to the inspection of the Directors. This cash book and petty leger were kept that I might be able to explain any account to the satisfaction of the Directors.

455. Was Mr. Phelps' contract for the Deep Cut missing when you was Secretary to the Canal Company ?—I do not know.

456. Do you know the reason why Mr. Chief Justice Robinson's £100 donation and Mr. H. J. Boulton's £100 donation to the Welland Canal does not appear on the books along with that of the Catholic Bishop of Quebec ?—It is before my time, I know noting of it.

457. Was Smith, Ward & Co's. bond in favor of the Welland Canal Company for £3000 dated 15th May, 1826, duly paid with interest ?—I do remember there being such a thing, but I cannot answer that question.

458. Do you know what the entry means by which in the Journal the Secretary is credited with 186*l.* 7s. while in the Leger p. 113 the credit is reduced to 100*l.* ?—It is after my time. The face of it appears irregular.

459. Where is the original estimate or bill of supply for Dec. 1831, and amounting to several thousands of pounds ?—There was an estimate missing, but I know nothing of it.

460. Mr. Barrett's estimate of 1st of May, 1832, states the last estimate of Calbraith and Lax thus—"Calbraith and Lax, balance due on old canal enlargement $2104 29cts." Why are no particulars given in this as in other cases ?—It did not rest with me to give particulars of the estimate, I merely examined the accounts and checked the calculations.

461. Do you consider that the books of the Welland Canal have been kept in the Italian method by double entry ?—I cannot answer that—I kept them in the same way that my predecessor did.

462. I wish you to shew the entries you have referred to as containing the tolls and forwarding of 1830 and 1831 ?—I do not know that I can.

463. Are the many thousand pounds of estimates entered upon the same principle as Mr. Wenham, namely by an entry of a debtor and a creditor ?—I believe they are.

464. Were the accounts of tolls and forwarding honestly and fairly entered on the Company's books for the year 1830, 1831, and 1832, so as to enable the officers to shew correct and accurate balances of their accounts, or were these accounts for the greater part withheld from the books of account until December last and then entered defectively and improperly, and so as not to shew the actual sums due by these officers ?—I know nothing respecting the toll accounts; I believe they were entered regularly and correctly during my time as far as they came into my hands. I received 281*l.* 12s 11d. and paid 139*l.* 14s 11½d.

465. Are not the entries for the toll and forwarding accounts of the Company in general very confusedly and improperly made on the books of account? —I continued some months at the request of Mr. Dunn in the office after I tendered my resignation, but I refused to take any cognizance of the toll and forwarding accounts.

466. Would you have the goodness to state the way in which the proceeds of the 1340*l.* 17s. paid to Theophilus Brundage for square timber in 1825 are accounted for on the books, or whether they are at all accounted for ?—I know nothing about it—the transaction was before my time.

467. Can you describe the effects of the erasure of a line on Oliver Phelps' accounts by which a balance of 95*l.* 11s 4d appears to have been extinguished in folio 157 of the great leger ?—I have been trying to, but I cannot account for the erasure. I do not recollect having made it myself, and I lament it is so erased, because it thereby appears difficult to account for the said amount.

468. John Boyle was a creditor of the Company in September 1831 for an estimate of work done, the amount of which was 28*l.* 2s 9d. The Company placed funds in your hanas to pay him in full, and you immediately entered on the leger, folio 174 that he had done so; and in the petty leger that you had only paid 10*l.* in part. Is not this sum of 18*l.* 2s 9d again charged to the Company in the regular books; a note given for it in 1833 and paid out of the funds of the Company in 1834, and a new account opened with Boyle in the great leger therefor as if it was a new transaction ?—I have given credit to the Company for that amount in my balance. I accounted for the balance to Mr. Clark who gave credit in a new account to Mr. Boyle for the amount.

469. Is it not evident that an improper or erroneous charge is made against the Compuny in the matter of Robert Campbell as per folio 122 and 126 of the minutes ?—The order of the Board of the 30th July 1830 was to be 350*l.* 10s. instead of 274*l.* 1s 6d. as ordered on the 11th January, which amount of 350*l.* 10s. was paid Mr. Campbell accordingly.

470. Why does that order refer to the order of the 11th of January previous as the authority, and can you produce the voucher for the payment ?—I conceive it ought to have said see order of such a day. I am not in possession of the voucher.

471. The sum of 189*l.* 13s 6d appears at the credit of the contingent account on the leger, is not this at variance with the balance sheet given in in 1830 by the difference between that sum and 213*l.* 8s 6d, and can you account for the erasure in the books in this case ?—The above 213*l.* 8s 6d was the amount of sale of sundries in the hands of Hovey & Ward and charged to the respective purchasers. The transaction took place previously to my appointment, and on settling account with T. Merritt & Kennedy for a wagon and ox (amounting to the difference between the two sums) they denied having had them; therefore it was deducted from the Cr. of contingent account and the debit of Kennedy & T. Merritt. With regard to the erasures page 61 journal, it is evident there is no deception, as will appear by the items page 77 and 8 above referred to.

472. Has not Mr. Clark a credit on the Company's books in 1831 for 85*l.* as paid for horses, forage, &c. Is there any detailed statement to shew who got the amount, or that any one got it, or any voucher ?—The above was included in the estimate to Nov'r 1, 1831; it was submitted to the Board, approved, and ordered to be paid; the vouchers were no doubt examined at the time, but I have no knowledge of them now.

473. Should not your letter book as acting for a corporate body, contain copies of every letter written on business ?—Undoubtedly it should.

474. What means the entry in folio 151, cash journal " Bank of U. C. Dr. to interest for 6 months interest on a portion of 25,000*l.* which was not applied; viz: 7,500*l.*, but remained in the Bank as a security for 5 years as a guarantee of 30,000*l.*" ?—This was for six months interest upon three bills of exchange drawn upon Yates & Co. and negotiated by the Bank of Upper Canada, ordered to be retired as per minute of the Board, Nov. 3rd, 1830; the other part alludes to a matter which was never carried into effect.

475. Express your opinion on the supposed debt of 30*l.* 5s 5d by Beattie & Co. for which the officers have obtained a credit in folio 189 of the leger without shewing any corresponding estimate of the Board:

June 29, 1829, Beattie was paid on account,				£17	10 0
July 3, " Do. Do. per W. H. Merritt,				12	15 5
				£30	5 5
Nov. 1, 1829, By estimate,	£20	12	0		
July 24, 1830, By do.	9	13	5		
				£30	5 5

Why it was not entered in the leger to the credit of Beattie & Co. I cannot at this distance of time recollect.

476. Express the opinion you have of the entry of 50*l.* as a supposed credit to James Sloan on his harbor account from folio 97 to folio 167, and on the erasures in these folios; and state the effect upon the balance due by Sloan by this 50*l.* entry?—Mr. Sloan's account was a very intricate one, his work having been performed on several different sections, and by different contractors which occasioned frequent transfers from one to another; a great deal of time was occupied in a final adjustment with him previously to my quitting office, of the result of which he had a copy, by which it appears there was a balance due the Company of 35*l.* 15s 10d as per estimate book folio 94; had I been applied to at an earlier period I probably might have recollected how this was arranged, but I think it was considered as settled.

Respecting the Peacock steamboat, Smith & Macy's account 447*l.* 17s 10d wss submitted to the Board, February 2, 1832, examined and allowed. The cord-wood paid by Company was independent of that account and was paid as under:

July 8, 1831,	S. St. John,	£36	1	3		
	Jennings,	50	0	0		
	Coulter,	37	10	0		
	Watson,	37	10	0		
					161	1 3
Sept. 15,	Jennings,	50	0	0		
	Coulter,	18	12	2		
	Watson,	12	12	2		
					81	4 4
Nov. 14,	J. Clark,				22	0 3
Dec. 23,	Coulter,				7	13 2½
Paid by Mr. Clark,—	Johnson,	2	10	0		
	Thompson,	3	10	0		
	Reade,	3	15	0		
					9	15 0
				£	281	14 0½

477. You entered in the great leger in Nov. and Dec. 1831, 180*l.* and 51*l.* 19s 7d as having been paid by you out of certain funds in the United States Bank to the Bank of Upper Canada; also 572*l.* 10s as having been paid to George Keefer, jun. to pay Grand River claims, and in June 1832, you entered 347*l.* 12s 3d as having been paid to sundry persons out of the Grand River moneys, it appears that these sums were not so paid, what was your motive for making those false entries on the leger of the corporation, and for leaving them in an incorrect state when you ceased to be an officer of the Company?—On Dec'r 18th 1831, I received of the Bank of Upper Canada, 572*l.* 10s 0d, which was for the time being charged to G. Keefer to pay Grand River claims—but the whole not being required for that purpose it was otherwise disposed of, viz:

To G. Keefer,	£340	10	5	
*Interest paid Bank of U. C.	180	0	0	
*Sec'y for sundry disbursements,	51	19	7	
				572 10 0

*These should have been carried to Cr. G. Keefer.

The sum of 347*l.* 12s 3d was received by me for sundry claims, viz:

Shotwell, petty leger, 3	£	1	5	0	
P. Carl, do. 10		5	0	0	
R. Brown, do. 39		1	15	0	
do. do. "		44	12	3	
J. Burgar, do. 75		45	0	0	
*A. Marr—Secretary's acc't,		250	0	0	
					3 47 12

*This amouut was drawn to pay for a lot of land; but which he afterwards declined selling—the amount therefore remained in my hands and is accounted for on my leaving the office. With regard to false entries I know of none.

[*The witness withdrew.*]

JOHN CLARK, ESQ. *Secretary to the Welland Canal Company, called in and examined.*

[BY MR. MACKENZIE.]

478. Can you state the nature of the agreement made with the Peacock Steamer, and why £447 10s. the alleged deficiency and her returns are twice charged and £79 16s. 11d. paid for wood is thrice charged to the Company by its officers on the Books although it was only paid once?—The steamer Peacock was employed by the Company for the purpose of running between Buffalo and Port Robinson, and for towing vessels navigating the canal up the Niagara River, the present route by Port Colborne not being then open—her accounts at the close of the season were settled by the late Secretary Mr. Black, I am not aware of a loss being made up to her, being twice charged against the funds of the Company and deny that such is the case and the charge of wood made against her can no doubt be accounted for by Mr. Black who settled the account.

479. Why did not the Company keep a regular cash account?—There was not a regular cash account kept when I came in the office, I believe the Bank of Upper Canada was considered the Treasurer of the Company under an act of the Legislature. A cash account is now open.

480. Are not the books full of false entries where the name of the Bank of Upper Canada is used in transactions they had nothing to do with?—There are no false entries—there are errors, which I always admitted.

481. Do you not consider a cash account an indispensible requisite in the correct management of the financial affairs of a canal corporation which has had the expenditure of upwards of £400,000?—I do.

482. What do you mean by the following expression in a letter addressed to the late Major Randall dated the 15th October, 1832.—"Yours of the 14th "inst. is before me. It is just as well that you have "not made your cash return to this office, for I am "convinced it would have long ago run out, and not "for *extreme cases* either."?—At this time the funds of the Company were low, and there were incessant demands made by persons to whom the Company were indebted, I may have supposed that some were paid that could have better waited for their money than others.

483. Although by the rule of the 7th August 1833, the tolls are not to merge in with the old accounts or debts, it is provided that the Secretary shall make out and shew a statement of the tolls collected for each month, and shew in detail the expenditure of the same—why was this not done—and why are the tolls of 1833 and 1834 entered in the leger of the tolls of 1830, 1831, and 1832 chiefly omitted, or only the credit part entered?—In 1831 the Canal first opened for business and to induce carriers to come that route with their boats, vessels &c. the Company undertook the receiving and forwarding, and appointed me their superintendent in that Department, making me alone responsible for the duties—the tolls and transit were connected together in the accounts—the want of experience in the toll collectors then appointed, it being a new thing, and myself being inexperienced, caused much difficulty in the accounts, which circumstance caused delay, and they have not been properly closed to this time. I was repeatedly urged by the Board of Directors to close the accounts, but have not yet entirely done so. The tolls of 1832 have in part merged in the general accounts and debts due by individuals for tolls remain unpaid.

484. Notwithstanding the by-law of the Board of Directors there never was once exhibited at the monthly meetings an official and regular statement of money's paid & received by the Company in the month then next preceding, I often complained of this irregular course of procedure, why was it not remedied?—I may not have held in mind the nature of the by-law had a statement been called for it would have been readily produced.

485. Has not Mr. Yates always had the nomination of a majority of the Canal Board, except at the first election of Directors?—Mr. Yates is an extensive stockholder and holds proxies to a considerable extent—it was in his power to have the greatest number of votes at every election of Directors.

486. Was not the Secretary placed exclusively under the control of the President?—I am not aware of such a by-law.

487. When the Company issued notes of hand for the payment of contractors, bearing interest, in 1833, did not they speedily fall to 20, 25, and even 30 per ent discount?—I have understood they were selling at a discount, but I do not know at what rate—none were offered to me, nor was I a purchaser.

488. Are you aware that the Board has entered into contracts it could not pay, and issued bills payable with interest it was without the means to redeem?—They have entered into contracts without the means *in hand* to my knowledge of paying—in respect to the latter contracts, the contractors must have been aware that the Company had not *then* the means on hand—but the prospect of the tolls coming in for another year would no doubt ensure their payment if the Canal is kept open.

489. Why is the great estimate of November 1832, amounting to £28,000 or there abouts missing; and from what charge was it taken?—I was Secretary at the time, all papers of the Company are considered to be in my charge—that estimate is missing in the office. I did not take it out, nor have I any knowledge who did. About that time a committee was appointed by the Board to examine Garrison & Little's accounts—this estimate may have been given to them with other papers and not returned, but I have no knowledge that such is the case; there was frequent resort to that estimate by engineers, contractors, and others, and I believe a true copy of it is to be found upon the estimate book of the Company.

490. Why were not the contents, particulars, details, or amount of the estimate of November 1832 entered on the minutes when passed in February 1833 as was usual?—It has been an omission of the Secretary—that is the only way in which I can account for it.

491. What means have you of knowing that the paper said to be a true copy of the great estimate of 1832 was so. The paper now shewn to you as such—has it the appearance of being a correct, true, and entire copy of any document whatever?—The book, not the paper now shewn me, is the authorised estimate book of the Company, and I believe the copy of the estimate thereon made of November 1832 to be a true copy from the original—The copy is in the handwriting of Mr. Beaton the book-keeper who could not have had any inducement for making an incorrect copy. The Engineer can best explain how the amounts in the paper attached to that copy of the estimate although forming a part of it, was not entered.

492. I perceive you were appointed book-keeper in 1831, and that you have for years had charge of the accounts—why do I never see your handwriting as the book-keeper in the regular books of the Company?—On the appointment of a book-keeper being ordered by the Board J. B. Yates Esq., one of the principal stockholders, urged me to take that situation, saying if I would consent to do so he would recommend me to the Board of Directors then assembled. I told Mr. Yates that I preferred declining so responsible a situation, and that I did not feel myself competent to its duties—Mr. Yates advised me to the contrary. Upon that the Board passed the following order.

"PRESENT—The Hon. John H. Dunn, President, Alexander McDonell Esq. Vice President, the Hon. William Allan, and Robert Randall Esq.—At the request of Mr. Yates John Clark Esq. was nominated

for the office of book-keeper to the Company on Mr. Black's retiring from the situation, whereupon it was resolved that John Clark, Esq. be appointed book-keeper with a salary of £150 per annum, upon his giving security in the sum of £1000."

I accepted the situation, thinking that it would aid in the support of my family; in June 1832 Mr. Black left the office and I assumed the duties of Book-keeper—At no time have I made entries on the official books of the Company, because I had not confidence in myself for keeping those accounts, but have from time to time employed others.

[By Committee.]

493. Do the Engineers make up their estimates from documents retained afterwards in their possession and made by them on examination and measurement of the work, and is the same a subject for reference by them when explanation of any estimate is required?—The Engineers make up their estimates from the measurement of the work, notes of which I have understood they keep for after reference; they also make up their estimates from the accounts of individuals, which accounts are held as vouchers in the office in proof of the estimate.

[By Mr. Mackenzie.]

494. Until 1834 I understand that Mr. Beaton was employed but for short periods, when there was no person to keep the accounts—had they to lie over until copied from your memorandum?—Mr. Beaton was employed in the office the first time in October 1832. I had kept the accounts in the petty books and Mr. Beaton posted the accounts in the official books of the Company, and made out the balance sheet for that year.

495. Then in the months of June, July, August, and September, and until October 1832 there were no entries whatever made in the official books of the Company?—Between the period of Mr. Black leaving the office and Mr. Beaton being employed first in October 1832 there was but little required to be entered on the official books of the Company.

496. Why were the accounts of your expenditure of the tolls of 1830, 1831, 1832, and part of 1833, always withheld from the House of Assembly when it demanded your accounts in full for the year from the time of your previous returns—and why were only partial statements given in of the receipts?—The Board of Directors would desire to see the whole receipt and expenditure placed upon the books—There was no particular reason for keeping the expenditure back—I have said before, the tolls of 1832 in some instances merged into the general accounts and that there were debts still due for tolls that year. The receipts of toll were regularly submitted to the Legislature in all cases where the returns were made up in time for the meeting of the Legislature—I think the small amount collected after the meeting of the Legislature for the years 1832 and 1833 was not included in any return submitted—but with no desire to conceal the amount collected.

497. You have asked for a credit of nearly £700 as payments made by you out of the proceeds of toll and forwarding for 1830 and 1831 to the Schooners Canadian and Prosperity. Are you able to produce any vouchers or receipts to shew that you are entitled to a credit for any part of that sum? or have the accounts for these vessels ever been audited by the Directors?—Those vessels were employed in the forwarding department by the Welland Canal Company for that year. I kept a credit and debit account with each of them, and paid them the amount charged as the books of account will shew, and charged the amount disbursed by them against the tolls and forwarding of 1830 and 1831, authorised by my appointment as forwarding agent under a general order of the Board.

498. The by-law of the 14th April 1825 provides that no director, officer, or servant of the Company shall directly or indirectly be concerned with any contract connected with the said undertaking—Why was George Keefer allowed to be so concerned when a director in the lock contract?—I have no knowledge that he was so concerned—I was not then an officer of the Company.

499. Why was Thomas Merritt Junior concerned as a contractor when a lock-keeper, and employed at day work in 1832 and 1833?—Mr. Thomas Merritt had charge of the lock at Port Colborne in 1833, which I think was authorised by the Board of Directors; he was a contractor at the same time—He was previously a contractor, and his being put in charge of the lock at Port Colborne must have been from his being the most competent person there.

500. Are you aware whether Mr. Phelps' mills at Dunnville, now owned by Mr. Hezekiah Davis, are not built upon a lock made by the Company descending from the dam to the river?—The mill is built upon a lock which I believe is useless, and by whose expense it was built I do not know.

501 Why has it been omitted of late years to sign and attest the minutes—In many instances they are neither attested by the President nor Secretary—why is this?—It has not been done since I have been in the office, nor am I aware it was previously done except in those cases shewn by the minutes

502. What is the reason why so very small a proportion of the business letters of the Company are recorded in the letter book of late years?—I believe all business letters of the Company to be recorded in the letter book, and it is so intended by the Board of Directors---there may have been some omissions on my part.

503. Are the Company stockholders in the steamer Caroline, and if so, under what circumstances and to what amount?---I believe they are owners to the amount of £125, which is held till it can be disposed of. I am not aware under what circumstances unless the desire to draw the travel and freight from Buffalo to the canal instead of remaining at Chippawa and going over the portage.

504. Can you describe the effect of the erasure of a line on Oliver Phelps' accounts by which a balance of £95 11s, 4d. appears to have been extinguished in folio 157 of the great leger?---I know nothing about it---the former Secretary Mr. Black can best explain this transaction.

505. Why was it that you were unable on the 23d and 24th of October to explain the amount of tolls received in 1832, and the expenditure of the same?---I was not prepared to do it, a good deal of difficulty having arisen in the office at that time---and having just returned from Lower Canada where I had been

(on leave of absence) and *you* know I had no time to make up any statements or give the necessary explanation.

506. Have you as Secretary the deed for Mr. Merritt's mills and land, or have you ever seen a deed from him?---I have no knowledge of having ever seen such deed. Mr. Merritt was awarded payment for his mills by the arbitrators appointed under an act of the legislature.

207. Why is interest £178 1s. 7d. charged the Company as paid the Bank of Upper Canada for £3000 advanced the Canal Commissioners in 1833---Was not the money obtained at once from the Provincial chest?---Interest account is charged with £178 1s. 3d. for interest paid the Bank of Upper Canada 1833 on a loan to the Canal Commissioners; I don't know how or where the money was obtained by the Commissioners.

508. Are not Johnson Orr's estimates overstated in the Company's journal and great leger, and do not the petty books clearly shew that there are 16*l.* which he is charged with which he is not entitled to, and never received?---Johnson Orr has acknowledged to me the receipt of all the monies debited him in account with the Company.

509. You perceive that the firm of Jack Toyne & Co. were paid in full of all demands against the Company in 1833 by notes payable with interest, and which have been since paid them. Have they not also, or some person for them, got a note for £24 1s. and been paid that sum (with interest) for which they had no claim, and is it not entered in the cash journal as if it had been legerized and not yet legerized, nor any attempt made to detain it from Toyne & Co. in their late transactions with the Company?----This is one of those errors admitted by me the moment it was discovered.

510. In page 257 of the cash journal there is an entry duly checked as if entered in page 402 of the great leger---of cash 50*l.* and cash 5s. 7d½. paid Thomas Merritt, jr. from the tolls of 1833, and which 50*l.* was duly paid him---this appears to have been duly entered in the leger but is neatly erased and the 5s. 7d½. only left---Was not this 50*l.* improperly obliterated from the daily leger?---I refer to the affidavit of John Callaghan given in evidence. It was an error admitted by me on discovery.

511. Mr. John Donaldson's estimates of November, 1832, are over credited 58*l.* 18s. 10d½., and there is 200*l.* and upwards for which the copy of the estimate of that month gives no authority, and which appears irregular and improper---can you explain these matters?---There is an over credit to John Donaldson of 58*l.* 18s. 10d½. In answer to the latter part of this question I refer to the Engineer Mr. Geo. Keefer.

512. In folio 328 cash journal, December 1835, a sum of 50*l.* 5s. 7d¾, and another sum of 38*l.* 15s. are debited to toll, as deductions, which sums do not appear to have been credited to toll or to have made part of the gross receipts of the years 1830 or 1831---Can you give any reason or shew any voucher for these deductions?---Those items were for toll on packet and freight boats, also on stone, gravel, &c. for Grand River dam and other repairs. The amount is included in return of tolls for 1831, and of course not having come into my pocket was recharged against toll, having been expended for canal purposes.

513. Are there not about 20*l.* charged thrice in the cash journal as paid from the Company's funds for Yates' pamphlets in 1834, and only one 20*l.* corrected, so that there remains a double charge of 20*l.* against the Company in this matter?---The item of 19*l.* 1s. 3d. charge for printing pamphlets is charged to contingencies and again settled in account with Mr. Yates for a Steam Dredge; the Company are therefore improperly charged with 19*l.* 1s. 3d.---which I at once admitted to you was an error when pointed out to me at St. Catharines.

514. Are there not errors of £24 9s. and £64 11s. 3d. of interest paid and not charged in 1834?---The interest account is short charged with £24 9s. and £64 11s. 3d. paid the Bank of Upper Canada in 1834—this omission is against the Secretary.

515. In folio 228 great leger £11 19s. 6d. appears to me to be placed at the credit of Daly & Co. more than the estimate of November, 1832, sanctioned—Is this a fact?—This is correct.

516. Has not £15 5s. regularly paid to George Smith, toll collector, been improperly charged a second time to the Company?—It is, and was so admitted by me at the time you were examining the books at St. Catharines.

517. There is a sum of £45 15s. 6d. charged in the old leger as a balance for cash advanced to Thos. McChesney, of Port Colborne in 1832—and it is stated in the cash journal that this sum was paid M'Chesney by order of the Board—Were the officers able to shew that there was any such order of the Board—or is not the debit of this money to M'Chesney improper—is it not cash for which the officers of the Company are themselves answerable?—This amount is admitted to be improper; it arose from crediting it to toll, from which fund it was first advanced—and omitting crediting it after the estimate was made against which it was also charged.

518. How do you explain the entry in the cash journal page 238 where George Keefer receives credit for £579 12s. 3d. of the Company's funds which had been placed to his debit without any other account being charged with the amount or any explanation as to the expenditure—Is Messrs. Bowery and Burns' explanation of that transaction, approved by the Board, yours also?—The former Secretary, James Black, Esquire, can best explain this transaction.

519. £137 10s. of a balance is entered against William Orderly, and then this balance is omitted to be carried down, and the following year Orderly is paid by a note, £70 or £80 of a supposed difference then appearing at his credit—Seeing that the petty leger differs from the regular books in this case, does it appear to you probable that Orderly was paid 132*l.* by mistake, or that the vouchers shewn to support this improper account are of a creditable character?—The money is charged in account to Orderly and appears to me that the vouchers are of a creditable character.

520. Have not large sums been allowed for alleged damages on goods forwarded by the Company without any order of the Board and without any vouch-

ers of the transactions?—There were only the following sums admitted for damages:

To McMillan & Co.....	£57	16	3
" do. do.....	21	7	10
" McPherson & Crane,.....	6	13	3
	£85	17	4

which I settled under authority of the Board appointing me forwarding agent, and to which I refer the committee on all transactions of this nature.

521. Do you not find many accounts of individuals which were marked in the Journal as posted and yet were not properly posted?—There may be in one or two instances.

522. Do you think an officer of the Company in the receipt of a salary of £400 a year could in a year of scarcity like 1832, receive $900 or $1000 on account of that salary without knowing it, or finding it out since?—I think he could not if paid regularly each year, but as this question I suppose alludes to Mr. Merritt the Agent of the Company, I think it due to him to state the manner in which any intricacy in Mr. Merritt's account arose—Mr. Black, the former Secretary, on retiring from the office left a balance against Mr. Merritt of £121 12 8½, and I soon after paid him a further sum of £28, making in all £149 12 8½, which the Board authorise by their order in August 1832—desiring for my own satisfaction to make a distinction between the monies paid by Mr. Black and those paid by me to Mr. Merritt—I drew a line in his account in the petty leger and all above that line is not included in the addition of the account, which I am confident Mr. Merritt was not aware of. In balancing Mr. Merritt's account he is found a creditor of the Company for several hundred pounds on account of his salary and advances made to contractors and others. This sum of £121 12 8 was omitted to be included in any account rendered by me to Mr. Merritt.

523. Are there not £25 entered as Engineer's salaries on the great leger for which there is no voucher to shew that it ever was paid or to whom, while the whole of the salaries are settled for by other payments—Is it not an erroneous entry?—This £25 appears to have been included in the estimate 2d Aug. 1832, and is charged in the leger to account of Engineers—I believe it to have been paid, but the voucher being missing cannot say to whom.

524. The sum of £149 12 8½ was paid Mr. Merritt in 1832 out of the tolls on his salary, and the sums of £37 10s., £40 11s. 6d. and £11 5s. 7d. were also paid him on account of his salary in the same year. He was further allowed interest on arrears of salary for that year. These sums amount to £238 19 9½, paid Mr. Merritt three or four years ago. Has he been charged with any part of this money in any way or shape on the books of account up to this day?—The charge of £149 12s. 8d½. is answered by me to question No. 522, the other items amounting to £89 7s. 1d. are not charged to Mr. Merritt and arises from that sum being charged to salaries instead of his private account.

525. Are you aware that you have charged the Company twice for £300 allowed Mr. Yates on account of his agency, although there is no voucher to shew that it was ever paid once?—This sum is not twice charged against the funds of the Company—I have no doubt of that sum being paid Mr. Yates—I am not certain of any other voucher than an order of the Board.

526. Can you describe the effect of the erasure of a line on Oliver Phelps' accounts by which a balance of £95 11s. 4d. appears to have been extinguished in folio 157 of the great leger?—This can be better explained by Mr. Black, the former Secretary.

527 Were not £75 paid out of the tolls of 1832 to Thos. Merritt, Junr., and not only not charged to him but he even allowed interest on his account in 1833 and 1834 as if he had received no such payment, and is not this sum only charged to him last December, and also the £50 not charged to him through the erasure chargeable to him with interest?—The sum of £75 was paid to Thos. Merritt out of tolls in 1832, and was then omitted to be charged him—it is now charged in journal 326. The sum of £50 is also charged his account in petty leger. The interest paid Thomas Merritt was a balance due him on the old account—the sums above stated were advances on new contract.

[Witness withdrew.]

TUESDAY, *March* 22nd, 1836.

Committee met.

PRESENT.

JAMES E. SMALL, ESQ., *Chairman.*

Messieurs Gibson,
McDonell,
Roblin, and
Thorburn—5.

MR. WILLIAM ORDERLY, *called in and examined.*

[BY MR. MACKENZIE.]

528. Was you a contractor on the Welland Canal in 1832?—I was.

529. When you left the Canal, were you paid in full?—No.

530. Were you paid in 1833, by notes of hand for the balance due you?—Yes.

531. Were you paid for any more than the work estimated to you by the Engineer?—No.

532. You are entered on the books as a debtor to the Canal, for £137 10, for monies said to have been over paid you in 1832. Was there any mention made of this £137 10 when you got the notes of hand in 1833, or at any time since then?—No. I disputed the settlement with Mr. Black, Mr. Clark and George Keefer, and spent two days overhauling my accounts on account of this dispute.

533. Can you write or sign your name?—No. I can neither read or write.

534. Did you get £100 in 1832; namely, $250 from George Keefer, and $150 from W. H. Merritt, and did you sign or make your mark in acknowledgment of these payments?—No. I got £12 10 from Wm. Hamilton Merritt, Esq., in May, 1832, and £24 odd, in my own house, from Mr. George Keefer, Junior, who stated that Mr. Merritt had stated to him, that he had given me $50, some time before, and he

wanted a receipt for both sums; I gave a receipt for the money Mr. Merritt gave me, and also, that which was given by Mr. Keefer at this time—but whether that is the receipt or not, I cannot say. I am sure I gave no other receipt but for these sums.

535. The Company produce a paper (now shewn to you) which they call a voucher for £100, it is in Mr. Clark's hand writing, has no witness, no date or year, but a cross, purporting to be made by you. Is it yours? or have you any recollection of the transaction?—I have not. I never received that amount, and therefore never gave a receipt for it.

536. Was you in the employ of the Company in the summer of 1834?—No; not that I recollect, except that I think I scowed some gravel on the dam in 1834, and boarded some hands.

537. There is a paper in the Canal Office, purporting to be a voucher for £135 8 7, to which your × is attached, but no witness. Do you remember receiving this $541½ on the 8th of July, 1831, from the Company?—I do. I received the amount, less $30, which was deducted by Mr. Black for the tow-path not being levelled.

538. Is it probable that the Company would have given you £80 in notes, in 1833, and other monies in 1834, if they had considered you their debtor for cash overpaid you in 1832?—I should not think they would. I found a good deal of difficulty in my settlement with them as it was.

[By Committee.]

539. Was you in the habit of receiving monies at any time from any of the officers of the Company without giving a receipt for it?—Never but once; when I got the £12 10 then I gave no receipt.

540. Were you in the habit, when you sign receipts for money from the Company, of having them read over to you?—When I go to the office for money, Mr. Black would read over the estimate to me and tell me there was so much of a balance coming to me, and I would sign the receipt in a book for it.

541. When you gave the receipt to Mr. Keefer was there any other person present, that you remember?—No one, that I recollect, but my wife.

542. Do you remember that he read the receipt over to you at the time?—I do—stating, as I have before said, that he had included the $50 that Mr. Merritt gave me, as well as the £24 odd, which he gave me.

543. Where was it that Mr. Keefer paid you this money?—At my own house, on the line of the Canal.

[By Mr. Merritt.]

544. Did you object to the payment of this £100 at the office?—I do not recollect that this was represented in particular.

545. You have said you received from Mr. Merritt, £12 10, and from Mr. G. Keefer, Jun. the sum of £24, for which you gave a receipt, for what work, and at what time were these payments made?—You gave the £12 10 in the month of May, 1832, and that by Mr. Keefer, was in June in the same year, so far as I recollect.

[By Committee.]

546. Did you know the amount of the estimate to be done when you first took the work?—No.

[By Mr. Mackenzie.]

547. You say you never got the £100 composed of two payments of £62 10, and £37 10. I see you are also charged with other £62 10, paid you in 1833, in May. (Cash journal, page 207.) Did you get two sums of £62 10, in part of your contracts, ending in November, 1832?—I never got any money from August, 1832 till June, 1834. I never got the sum of £62 10 in 1833.

(Witness withdrew.)

Gilbert McMicking, Esquire, M. P., *called in and examined.*

[By Mr. Mackenzie.]

548. Do you know any thing of a contract made between Theophilus Brundage and the Welland Canal Company to supply them with 200,000 feet of large sized square timber in 1825?—No.

549. It is assumed that £1,340 and upwards, were paid from the Canal funds in 1825, to Theophilus Brundage, for timber of a large size for a tunnel, and never used for that purpose, and that no part of the proceeds of 200,000 square feet appears on the books, and that it has not been accounted for in any other way. As you were continually on the Canal, perhaps you can tell what became of the timber?—I bought a lot of timber of a man by the name of Howard—as to my own knowledge of its being Canal timber, I cannot say, but it was in the Chippewa River, and said to be such by Mr. Howard. The price was 10s. per 100 feet, but whether it was York or Halifax currency, I cannot now say. The timber I purchased, was of different sizes, but was hewed straight for 11 or 12 feet in length, but these lengths were sometimes 70 feet in length. I purchased enough to build a mill, a house, and several other buildings. I think I paid rising of £100 for what I bought.

550. Are you aware that Mr. Keefer, when one of the Directors, got a present of a mill-race and water to impel 4 run of stone, and that he continued to possess that great advantage, rent free? And if yea, will you please to inform the committee what effect such a present has upon the profits that steam millers in that district might reasonably expect to derive from their exertions?—It is an effect almost ruinous to those possessing steam mills, because, steam cannot be worked so cheap as water.

551. What is the effect of the aqueduct upon the navigation of the Chippewa or Welland?—It is very much complained of, and I think a very great injury to the navigation of the Chippawa.

552. Was it for the advantage of the public, that the Canal was carried round by St Catharines, at the one end, and up to Dunnville on the other?—I have always thought it a very injudicious route, for the reason that there is no harbor at Port Dalhousie, and that the Canal might have been taken a much shorter route, accomplished the same object, and cost a great

deal less money, and in the whole management of the Canal, I think that private interest was always studied, more than public good.

553. Ought Canal Agents and Directors to be mill lessees on the Canal in which they are Directors?—My decided opinion, is, they should not.

[By Mr. Merritt.]

554. In what year, or at what time did your purchase from Howard take place?—I think in 1824 or 1825.

555. You say you bought from Howard some timber said to be Canal or Tunnel timber, but you do not know it to have been the timber alluded to or not as belonging to the Welland Canal Company—did you ever inform the Welland Canal Company or any of their officers that you purchased their timber from that individual?—No; not to my recollection.

556. Would you have built Mr. Keefer's mill or laid out the capital he did at the time, under similar conditions, which were in 1824 or 5, that he was to have a flouring mill of best description, in readiness by the time the water was let in the Canal, and did you at the time think the Canal would ever be finished?—If I had had faith in the undertaking, I certainly should have been glad to have built the mill and laid out the capital Mr. Keefer did. But I cannot say that I thought at that time the Canal would ever be finished.

557. You say that you think individuals who are in the management of the Canal should not be interested in any erection; do you know that I have had any erections of the kind, and do you not conceive the erection of flouring mills, in particular, an advantage to the Canal by yielding a revenue?—From common report, I understand you are concerned in mill erections. Judging from what I have heard on the Erie Canal, the revenue from mills is considered a great detriment to the navigation.

[By Committee.]

558. What benefit would a mill be to the Welland Canal Company, if built where there was no water?—I cannot say, but I should suppose none at all.

559. Is it your opinion, that the Welland Canal Company could have lost so much valuable timber without knowing it?—I should think it would be impossible.

(Witness withdrew.)

Mr. Clark *again called.*

560. How do you explain the single entry on page 238 of the Journal discharging George Keefer from £579—and charging no other accounts?—The reasons for making the entry in question are given in the page of the Journal referred to, which amount is merged in the general expenditure.

561. Can you shew the vouchers for the sums charged by you as payments to the Schooners Prosperity and Canadian amounting to 6 or £700, or for any part thereof?—I have no vouchers to shew more than the books of account relating to those vessels, and have already answered this in my answer to question No. 497.

562. Can you shew the Committee any vouchers for £62 10s. alleged to have been paid Orderly in May 1833, and for £6 5s. and for £2 charged by the officers of the Company as payments made to Orderly at that time?—There are no vouchers yet found for those items.

[Wituess Withdrew.]

Mr. McMicking, *again called.*

[By Committee.]

563. Can you state any thing further to the Committee relative to the timber respecting which you have already been examined?—I can—Oliver Phelps sold a quantity of it to a man by the name of Daniel B. Hembley, who told me he paid him (Oliver Phelps) $60 for enough to build a house and barn—The timber was marked W. C. C..—The two wings of the Pavilion were built of the Welland Canal timber, but I do not know what was paid for it—also the greater part of the present Ontario House was built with it—and also Joel Phelps on Lyon's Creek got enough of Oliver Phelps to build a barn, who only charged him $5 for the whole quantity he got.

[Witness Withdrew.]

Wednesday, *March* 23rd, 1836.

Committee met.

PRESENT.

James Edward Small, Esq., *Chairman.*
Messieurs Chisholm.
Gibson,
McDonell,
Parke,
Roblin, and
Thorburn,—7.

David Thorburn, Esquire, M. P., *a Member of the Committee examined.*

[By Mr. Mackenzie.]

564. Would you have the goodness to state to the Committee the general facts as known to you relative to the Hydraulic Company, and the nature of the bargains made with the Canal Company, also the opinion you entertain of the course pursued in leasing water-power last summer?—The Government Directors considered they had to be guided by the Report of the Committee on the Welland Canal of last year, which stated that the intricacies of the Hydraulic bargain, were such as induced them to recommend that during a recess, a commission of inquiry should be instituted, therefore, the Government Directors, of which I was one, considering the bargain as not finally settled until the Legislature approved of the repurchase of the same. The Government Directors conceived that they would not be fulfilling the spirit or letter of that report until they first inquired into the whole nature of the sale and repurchase. Mr. Mackenzie, one of the Government Directors, was appointed, with the approbation of the whole Board, as will appear by the minute book of the Company; and agreeably to which re-

solution Mr. Mackenzie did go into the examination of the whole affairs of the Company, including the Hydraulics---considering the repurchase of the Hydraulics was not consummated until the Legislature approved of it, the Government Directors would not interfere or approve of granting leases to applicants for water privileges, because they conceived by sanctioning leases while the bargain had not been approved of by the Legislature, they would be out of their duty, and any act of theirs consequently would have been a nullity. For several monthly meetings of the Board, applications were brought forward by the President, and on his introducing them to the consideration of the Board, he remarked that it did not matter whether the bargain was fully recognised by the Government or not, because the avails would still be subject for the general interest of the Company. Mr. Mackenzie and myself would reply that the Directors for the private stock being a majority of the Board might grant the leases if they pleased, we would not give it our protest further than not agree to the leasing. The President would then reply that he would not wish anything of the kind to go without the general approbation of the Board. There was an application made after this by one Hiram Slate, for mill privileges at Port Colborne, and upon inquiring into the nature of Mr. Slate's application, it was said to be for a Company, of which he was one; and also upon inquiring who the Company was composed of, it was said by the President that the Company was composed of Captain Creighton, Mr. M'Donell, the Vice President, Mr. Merritt, the President, Mr. Slate, Mr. Scott, Mr. Thos. Merritt, and I think, Mr. Ostrum, and I think there may have been others. The President further stated that erections were in progress, of a large extent, for milling operations. Mr. Mackenzie then remonstrated and inquired why these erections had been prosecuted, and such liberties taken, without first having a lease from the Board of Directors; and further, it was contrary, as he believed, to a standing order of the Board, that the officers of the Company should be connected, either directly or indirectly, with any works upon the line of Canal. The President replied that no application had been made for that mill site, and that he considered that it was to the benefit of the Company to make as many erections of such a description as they could upon the line of Canal, thereby creating business for the Canal; that he, individually, had not embarked in the project with a view to any private gain, but solely to promote the prosperity of the Company, and that he had given his name purely for that purpose; after which he (Mr. Merritt) wrote a letter addressed to Mr. Mackenzie and myself, which stated that he would sell out all his interest as regards special privileges, and that he tendered this note to remove any impression there might be upon our minds, that he was guided by any other motives than the prosperity of the Company. We replied verbally, that he ought not to have deviated from the rules of the Company, particularly the rule that leave must be had to obtain a lease or privilege, and that a lease ought to be had before a privilege should be taken by any Company, and that if the Company sustained any injury from the want of a lease, the fault was theirs and not ours. Mr. Mackenzie remarked that they ought to have given public notice that such privileges as those at Port Colborne would be leased by the Company, so that by competition, a fair value might be obtained by the Company for these privileges. The President replied that it was a standing rule of the Company that the first applicant for any privilege obtained it, and that there was a standing scale of prices for all such privileges. Mr. Mackenzie also stated that he believed in this instance that there was an encroachment on the Company's wharves at the entrance of the Canal, and that the job was discreditable to the Directors that were concerned in it. No leases were granted till the Nov. Board, when a resolution, embodying all the applicants through the summer, including Hiram Slate, the whole of which were granted---Messrs. Duncombe & Mackenzie, Government Directors, were absent, and I did not assent to it. I consider it essential to the Welland Canal that the Hydraulic interest should not be separate from the interest of the Company, as the Hydraulic is a secondary consideration, being only of benefit when the water can be spared from the Canal. That the Directors of the Welland Canal Company should have the power to regulate surplus water, and that the Directors ought to have power to cause saw-mill owners to keep the Canal clear of saw dust, which lodges in it and prevents the navigation of vessels drawing a certain depth of water fitting for the general depth of the Canal, likewise to prevent slabs from swimming towards the locks. I would further remark there are rules of the Company to compel saw-mill owners to do this.

565. Are you aware that the Hydraulic Company kept possession of the water-power and lands for several years---received the rents and also the proceeds of lands sold within that time, which they never paid over to the Company---and now retain, under a bargain with themselves as Canal Directors and the Government Directors, but subject to the approbation of the House of Assembly, the most valuable water power on the summit-level at Allanburgh, and the town ground at Gravelly Bay, besides receiving £17,500 in Canal bonds, payable with interest, for giving up an agreement upon which they neither had paid principal nor interest?---I am aware that the water-privileges and certain lands of the Canal were alienated; I believe they remained in the hands of a Company who used the water-privileges and the moneys arising from such, for the particular use and benefit of such Company---I know that the Directors of the Welland Canal Company considered the water in the Canal should not be subject to the control of any others; therefore a repurchase of the privileges and water-powers so alienated, was effected subject to the approval of the Legislature, less certain lands and water-privileges at Allanburgh, and I believe lands at other places about Marshville and Port Colborne, but do not recollect what the quantity of lands is so retained; I believe the Canal Company did give Canal Bonds bearing interest to the amount of £17,000, I am not aware of the Canal Company receiving any part of the principal of the amount which the water-privileges, lands, &c. were sold for; the interest on the principal was placed to the credit of the gentleman in whose name the deed of conveyance from the Welland Canal Company was made. I understood that certain improvements were made upon the lands about Marshville, likewise the erection of a grist and saw-mill at the same place by the Hydraulic Company, which improvements and mills

were held by the Hydraulic Company as of much value; the mills I do not consider to be valuable for the Welland Canal Company—the improvements on the lands about Marshville are by no means an equivalent for the valuable consideration of £17,000 or the property retained at Allanburgh and elsewhere by the Hydraulic Company.

566. Is it for the interest of the Canal Company and of the country as connected therewith, that the President or Agents, and the Directors and Officers should be lessees of water-privileges on the line of Canal, while acting as such Directors and Agents? —I think not, because their not being so interested would remove suspicion and prevent temptation. It might be questionable how far a latitude should be given at the commencement of works of that description. As a reason for the first part of my answer, they (the Directors) being the guardians of the work, and the primary object being for navigation, they ought to have allowed so much water as not to injure the navigation.

567. Under what circumstances did Mr. Keefer obtain, and on what footing does he hold the water power which impels his grist-mill at Thorold?—I have heard the President admit it was given to him to encourage works of that description. I refer to the 10th resolution of the Board, 26th October, 1825. —[see resolution.]

568. Were not very great expectations held out to the country with respect to the profits and returns to be derived from the vast Hydraulic privileges on the Welland Canal; and have these advantages been in any respect realised?—From what I have learned from the Board and this Committee, there were certainly flattering prospects held out, and still are—I think their pecuniary realization is very trifling.

569. Was it proper to hold out expectations to Stockholders and the Province, that great pecuniary advantages would be derived by the Company from the Hydraulic powers, and then make presents of the mill races and water-power to the Directors, without reference to the Stockholders to encourage the building of grist-mills?—I think, in the first place, it is an electioneering scheme to knock up a job and make the best they can of it—that after a Company is formed the Directors are elected by the Stockholders to manage their works, should the Directors forfeit the confidence of the Stockholders by any act, they would be entitled to a severe reprehension; but if we find that the same Directors are continually re-elected, it is taken as a common evidence of their having performed their duties acceptably to the Stockholders, but I think in this case where there are two interests, a provincial interest and a private interest, and that private interest having a major voice at the Board, any act of appropriating any part of the property or privileges for their own particular interest, contrary to common established principles of right and wrong, would not be creditable. I do not approve, as I formerly stated, that the officers should be connected with any private jobbing, but should be paid a reasonable compensation for the discharge of their duties. This shews the necessity that there should be but one common interest.

570. In the case of the gift of the grist mill water power to Keefer, was it reported to the Stockholders in the annual reports, or had they any means of knowing the fact? Did not Captain Gordon, the Secretary, publicly complain of secrecy in such transactions, and declare it was most injurious to the canal and caused suspicion by the stockholders?—I have heard of it years ago, but I do not distinctly remember.

571. Do you consider that the canal has been taken to particular places, out of the direct line below the mountain, and up to Dunnville, to serve the purposes of interested individuals, to the injury of the work and to the great accumulation of expense from the funds of the corporation?—I consider as a public work that the first consideration should have been to connect the navigable waters at the cheapest and most lasting points—and that I consider the cheapest and lasting course to be from Lake Ontario by Queenston, and to Lake Erie by the mouth of the Chippawa or by Broad Creek on the Grand River. It appears to be most reasonable to take it the shortest route when it can be done.

572. What was the probable value of Merritt's (since called Butler and Bowrey's) mills before the Welland Canal went down the twelve mile creek? —and what the general supply of water?—I do not remember.

573. Are you aware that the Board has ever entered into contracts it was without the means of paying, and agreed to issue paper money it could not redeem?—They have entered into contracts this last fall for repairing the work through the course of the winter; the agreement on the part of the Company with the contractors was, that in the event of funds not coming in to the Company they would issue bills bearing interest payable at the Company's office one year after date. The Company had some reasonable prospect that they would not have to adopt this latter alternative, as Mr. Yates had requested permission of the Company to raise a loan of $500,000 for the purpose of paying off its debts, and to complete the works the directors for the private stockholders at the Board agreed to furnish Mr. Yates with authority to raise the loan, and that authority had been transmitted to Mr. Yates previous to the contracts being let out; the Company had likewise sent a petition by Mr. Mackenzie to the Lower Canada Legislature, (Quebec,) to request a loan or to take stock to the amount of £25,000, to enable the Company to put the works in a state of repair, the Company were not in possession of the replies from either of those applications when it was necessary to let the repairs. I found the work could not go on, and therefore gave the measure of letting out those contracts my support—upon finding by the engineer that the sum necessary to ensure the works to be in preparation for the opening of the navigation was £6,500, I considered the increasing trade through the canal by the shipping of goods that had passed this season from New York to the Western States the American merchants had found it was the quickest and cheapest route for the transit of them, and as the toll of this year amounted to nearly £6,000, which was evident that the transit business on the Canal was increasing, there was a reasonable prospect to suppose a further increase of tolls would take place through the increase of trade and transit of American goods and produce, also the Grand River Navigation Company's works were understood would be in readiness for business for the ensuing season

much of the trade of which would pass through the Welland Canal, therefore I considered that it was better to agree to the issue of such paper money payable with interest at one year after date, as the increase in trade might be considered nearly if not equal to meet them when due.

574. Can you state the value of the Steam Dredge sent in by Mr. Yates which cost the Company £780 and upwards, and the grounds on which you joined Mr. Butler and myself in resisting the purchase of the Sir Walter for $2000?—It is found to be a complete failure for the purposes intended. A committee was appointed to sell it, of which I was one, I think there was only one offer of £50 made for it—we have it yet. The Sir Walter the President recommended to the special attention of the Board to purchase it; he thought it might be had for about £500, and that it would be found to be a great bargain to the Company for the purpose of a Steam Dredge, which was much wanted, particularly to clear the mouth of the harbor at Port Dalhousie of sand and accumulations of muck. The purchase was not agreed to by the Board, because there was a reason to believe that the Steam Dredge which had been authorised by the Government would be in readiness for the early part of next spring, the company might expect occasional turns of it, to clear the mouth of canal at Port Dalhousie.

575. Are you aware that Mr. Merritt has secured for himself while the Agent of the Company a large share of the land, at or near the western terminations of the Canal at Port Colborne and Dunnville?—I believe he has lands near to the mouth of the Canal at Port Colborne, and bought it of a man by the name of Paterson, an Englishman, about two years since. At Dunnville Mr. Merritt and Mr. Street have bought a tract from the widow Muirhead, of about eight or ten hundred acres opposite the toll bridge. Mr. Merritt along with Mr. Street is owner of the lands in which Dunnville is situated. The Directors conceive they ought to have more room at Dunnville. Mr. Merritt wanted the company to have it without charge, but Mr. Street thought they ought to pay the full value of it as town lots. At the end of the bridge over the Grand River dam, where there is an immense quantity of water power, Mr. Merritt wanted the arbitrators on damages to consider the damages by the company on those lands favorably towards them (the company.) Mr. Street and Mr. Merritt's view of this was that they would get a profit from it, as a village would rise there, being at the end of a toll bridge and possessed of great water privileges.

576. Do you remember that the Receiver General Mr. Dunn offered by letter which I enclosed to you before I went to Quebec, to take charge of the books and papers of the Canal until an accountant or accountants here could examine them and investigate any charges that might be made against the Company's officers? and can you now produce that letter?—I do remember, and now produce the letter as follows:—

TORONTO, 27*th October*, 1835.

SIR,

In reply to your letter of this day's date I beg to acquaint you that I shall be happy to take charge of any papers the Directors of the Welland Canal Company may be pleased to place with me, and in any explanation or assistance I can afford, it will give me pleasure. I am not aware of any person who I could recommend at this moment as competent to the investigation of the Welland Canal accounts, but should I be fortunate on inquiry to find such a person I will not fail to inform you.

I have the honor to be,
Sir,
Your most ob't. servant
JOHN H. DUNN.

WM. L. MACKENZIE, Esq. &c. &c. &c.

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577. Did I make any charge to the Company for my Quebec journey, or on the contrary did I not state that I was going on my own or other business and would not make any charge or be fettered with any instructions?—You made no charge for that journey and none for your other services while at the Canal—the other directors wished you to take a reasonable allowance, which you refused; Mr. Butler and myself charged $4 a day—you made no charge further than what you considered was your actual outlay for personal support. You stated you were going to Quebec on your own or other business and would not be fettered by any instructions.

578. Do you consider that Mr. Beaton although a good accountant, was that sober steady man who ought to have been employed as the book-keeper of a great corporation like the Welland Canal, and trusted to for recording with accuracy and clearness its monied transactions?—I would prefer a person who is not known to possess any particular disposition towards intemperance.

[BY MR. MERRITT.]

579. Although you received the letter from Mr. Dunn did you not agree to the appointment of the book-keepers on 19th November in pursuance of the resolution presented by Mr. Mackenzie and adopted by the Board on 24th October?—Yes, because those that were introduced to the notice of the Board were said to be competent for the duty. Mr. Bowery, one of the gentlemen, was before the Board at the time, and in reply to certain interrogatories I put to him said he knew the nature of the books and considered himself perfectly competent to undertake the examination required by the Board I informed him of the necessity of performing the duty with great care, minutely and diligently, and that there was scarcely a doubt but that the Legislature, (if the report that they Messrs. Burns and Bowery would make disagreed from Mr. Mackenzie's statements and views) would again cause the whole books and accounts to be re-examined.

580. At the time that resolution was passed in October 1825, promising to grant Mr. Keefer a mill privilege in Thorold in case he erected a flouring mill of the best description—was there not a general belief the Canal would never be finished or the water brought through the deep cut—did you ever hear the opinions and calculations of the late Hon. Colonel Clarke and the Hon. William Dickson on the cost of that work? And would you have accepted the offer as Mr. Keefer did at the time or declined it as General Beach did, as you see by the resolution?—I do not recollect the calculations—if I had been aware that the canal would be finished—Mr. Keefer was a director at the time, and was one of these directors forming the board which gave the mill site away, as appears by the minutes of the Company—he as a di-

rector would know the probability of the completion of the canal much better than any other person not a director, I would have taken it had I known that the canal would have been finished.

581. Although you heard Mr. Mackenzie say he was going on his own business and would take no pay for his journey to Quebec, did he not at the Board, in reply to an objection made by Captain Creighton to him (Mr. Mackenzie) being the bearer of the petition say decidedly that he would not present the petition unless he was certain he would obtain the money, and did he not promise up to the moment of his departure to use his best exertion to obtain this money?—He (Mr. Mackenzie) repeatedly declared that he would be under no instructions, and that he would take no pay for expense money in carrying the petition to Quebec—Questions were put at the Board to Mr. Mackenzie if he would use his best interest to secure the prayer of the petition, to which he gave some equivocal reply such as I think conveyed that the taking of the petition was for that object, and I think he stated to questions put that he would not offer the petition unless he considered the Legislature would consider it favorably.

[Witness Withdrew.]

MR. BLACK, *again called and further examined.*

[BY MR. MACKENZIE.]

582. There is, as it appears to the accountants employed by the committee, and to myself, a charge of £447 10s. for loss on steamer Peacock made twice as if it had been twice paid from the Company's funds. When I was at St. Catharines the clerks shewed me a detailed statement by the particulars of which it would appear that part of this £447 10s. had been charged the third time to the Company, and they shewed the same document to the accountants since this investigation began. I have asked Mr. Clark to explain the transaction and he now says that the paper shewn is not the voucher, and that they can find no voucher to shew that the money ever was paid; he further refers to you as the first entry took place in your time of being in office. Was there a regular and correct account submitted to the Board of Directors of that money, and did you leave it as a record on your quitting the office in June 1832?—The account alluded to was submitted to the Board February 2nd 1832—was examined and allowed. The cord-wood paid for was independent of that amount.

583. In the statement now declared not to be a voucher, £36 1s. 3d. is entered as paid S. St. John for cord-wood, and there is another large sum stated to have been paid for fire-wood to another person, and these sums are charged by you separately as paid from the Company's funds. We have never been able to obtain any voucher for this £36 1s. 3d. Do you know that there was such a voucher, and was cord-wood wanted by the Company that year for other purposes?—I believe the vouchers for all these money's are in the office. I know of no purpose that the Company may have wanted wood for at that time. There is no separate receipt for the £36 1s. 3d. the total amount of estimates including the above, amounted to £286 7s. 7d. which was paid to several orders of St. John! and for which receipts are in the office, viz:—

To John Darling.....	£	13	12
" William Youell.....		12	10
" A. Campbell.....		30	15
" R. Canby.....		25	0
" K. Reach.....		45	15
" M. Blodgett.....		8	1
" Bowery & Co.....		83	0
" Peter Keefer for G. K. No. 1421		57	3
" Sundry transfers.....		10	7
	£	286	7

MR. CLARK, *again called and further exam*

584. Where is the expenditure shewn in the Journals of £1261 10s. 3½d. out of the tolls coll[ected] 1832 in payment of sundry contractors, and for [work] on the Canal according to lists referred to in [the] minutes for which the minutes say "see Journal [page] ——;" and the folio left blank?—I find no such [ex]penditure entered on the Journals, it was intended [to] be so, but omitted. The expenditure of tolls for [1832] are entered on the Journals pages 324, 325, and [326]

585. Where is the order of the Board for the expenditure of £1406 11s. 3d. in August 5, 1832 ("August" erased, and "September" substituted in Journal p. 204)?—There is an order of the 5th September 1832, covering this expenditure.

586. By a regulation of the 20th September [1832] the Secretary is required to enter all deeds, leases and conveyances of real estate and of water privileges in a book to be kept for that purpose, immediately after they shall have been executed, and [also] those already executed, and all mortgages to or from the Company, or any other incumbrances affecting such water privileges or real estate, and that all such documents be placed in charge of the Secretary. Has any such book been compiled?—A book was procured for this purpose, but in consequence of the investigations at St. Catharines, and the proceedings which followed thereon the book has not yet been compiled.

[Witness Withdrew.]

THURSDAY, *March* 24, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, ESQ. *Chairman*

Messieurs Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—7.

MR. BLACK, *again called and further exam*

[BY MR. MERRITT.]

587. Will you inform the committee if the words "to be copied in book" on the scrawl herewith shewn you, is in your own hand writing—and under what circumstances it was made, and whether it was copied in the books and considered an official document or not?—The memorandum alluded to is in my handwriting—it was made for the purpose of asking you if it was to be copied in the letter book, as I conceived it to be of a private and confidential nature. On inquiring of you, you confirmed my opin-

ion, and desired I would lay it aside until Mr. Yates returned.—To the best of my knowledge and belief it was never copied in the Company's books or laid before the Board.

588. Do you recollect paying one Sylvester Hathaway, a subcontractor on the Deep Cut, by mistake, *one thousand dollars* over what was due him at the time he relinquished his work, and when let to Mr. Phelps? Did the Company prosecute him—and what was their principal reason for so doing—and what was the result?—I recollect paying Hathaway the amount of his estimate to 1st June amounting to several hundred pounds—he accompanied me to York and applied to the President to receive it there instead of at St. Catharines, and by his order I paid him at the Bank, and was not aware of his having received £250 on account, not having the books to refer to. It was the first estimate I paid after taking office. The Company prosecuted him for the amount, which he refused to refund, stating the Company was indebted to him for a larger amount—several trials took place on the business, in all of which judgment was recorded against him.

589. Did all monies pass through your hands while you acted as Secretary, and had any other person charge of the books?—I had the sole charge of the books and monies with the exception of the tolls and forwarding accounts beyond those items mentioned in a former answer.

[By Mr. Mackenzie.]

590. How do you reconcile this answer with your former statement that you refused to have any thing to do with the tolls and forwarding monies, which up to the time you left appears to have amounted to receipts £5,000 and upwards and very large disbursements?—Mr. Clark having been appointed to manage the toll and forwarding account I had nothing to do with them after my resignation. And in my answer to the former question I wish to be understood I had nothing to do with those accounts or books.

[Witness withdrew.]

Mr. McMicking, *again called and further examined.*

[By Committee.]

591. Were you Agent for the Peacock Steamer in the year 1831 when she was chartered by the Welland Canal Company?—I was.

592. In the absence of any voucher on the part of the Company and its officers to shew in what manner the loss sustained, as they say, on the Peacock Steamer, was occasioned, perhaps you could state whether there really was any loss sustained or give some satisfactory explanation to the committee on the subject?—At the close of the season I went to Buffalo, and the firm of Smith & Macey were the agents for the boat at that place, and in conversation with Mr. Macey he told me that the Peacock had that day or the day before earned money enough to pay the amount of the charter—he also stated she was then to run for the benefit of the Company for several days, but I do not recollect how many. The cause that brought me to see Mr. Macey was that we had an intention of building one at Chippawa for the same purpose, and I was wishing to get stock taken up there, he made the remark that the Peacock had done very well.

[By Mr. Merritt.]

593. You say that Mr. Macey, who was the Agent of the Steam-boat Peacock at Buffalo in partnership with Smith, told you the boat would that day or shortly after pay her way. The Secretary of the Company states that the boat sustained a loss of about £400 which was paid to Smith & Macey, are the committee to understand from you that Mr. Macey told you that the boat had sustained no loss, and from the tenor of that conversation do you believe the charge made by the Company for the payment of that boat to be false?—My impression was decidedly that if the charter was only £400 that she earned it, and that what he stated to me was correct. Mr. Macey said the Company would sustain no loss, the boat was still running; he said that on that day or the day before he had received the amount of their charter as the Agent of the boat, and that from that time forward she ran for the benefit of the Company.

594. At what period of the year was this conversation with Macey?—The latter end of October or the beginning of November.

595. Do you not think it possible that Mr. Macey may have been mistaken in his anticipations—and do you think them men of that character that they would make out any false statements to shew greater disbursements than had actually incurred?—We are all liable to mistakes, but I have no apprehension he was mistaken because he was considered one of the most business men in Buffalo. I think they (Messrs. Smith & Macey) would not have made charges beyond the actual disbursements.

[By Mr. Mackenzie.]

596. I see in a paper which was laid before me in St. Catharines shewing that the Steamer Peacock had earned $2185 88c. from 4th July to 3d October, 1831; and $341 30 from 4th October to 21st November, besides $15 for towing sundry vessels, and that $3860 86 was the expenditure. In Mr. Merritt's hand writing there is a balance shewn of $313 68 of loss, besides other $966 66 due on charter—the amount he makes $1785 34 of deficiency, and there are many vouchers and documents. Is it probable that you, as the Agent of the Steamer, could, on looking into these receipts, throw any more light on the question involved in this charge of loss?—I think not.

[Witness withdrew.]

John Ross, Esq. *cashier of the Branch of the Commercial Bank of the Midland District, established in this city, called in and examined.*

[By Mr. Mackenzie.]

597. Under what circumstances were you applied to in May 1834, to loan £2000 to the Welland Canal Company?—I have no recollection of the circumstance, the letter which you read to me was an answer to one from Mr. Merritt.

598. No part of this transaction of a loan appears on the Company's books; but there is a charge for interest of £30 11s. 6d. on the minutes, and of an additional half per cent, or £10 under the head of "Agency." From the stress you lay on the words "legal interest," in your letter now shewn to you, it would appear that the Commercial Bank contemplated an extra charge. Would you have the goodness to explain to the Committee why more than 6 per cent has been charged?—By the by-rules of the Bank all inland and foreign drafts and acceptances are subject to an Agency as in the case of the present transaction with Mr. Merritt, say:—

Draft for £2000—90 days, interest £30 11 6	£1969	8 6
½ per cent Agency, - - - - - -	10	0 0
Nett proceeds, - - - - - -	£1959	8 6

The Agents of this Bank are entitled to receive from the Institution their agency in room of salary.

599. You are now shewn a number of papers which the Welland Canal Company and the Welland Canal Commissioners exhibit to the Committee as vouchers for the expenditure of money. Do you, as a man of business, consider these papers to be such as ought to be received as vouchers by the Officers or Directors of a Bank, Canal, or other great corporation?—All I can say is, we (at the Commercial Bank) would not take them, they being as vouchers executed with crosses without witnesses.

[By Mr. Merritt.]

600. Although you say that you would not take those receipts in your Bank as vouchers, do you not conceive there is a material difference in payment to contractors, who may be illiterate men and and labourers on the line of a Canal; and would you think a Board of Directors would have good reason to refuse those vouchers when they agree with the estimates of the Engineer who states the work to have been performed?—In my own private business (independent of the Bank) I really could not receive vouchers with crosses without witnesses.

501. Would you think the officer who paid the money a sufficient witness?—Yes, I think so. He should have been a witness at the time.

[By Mr. Mackenzie.]

602. If in your Bank a dispute was to arise between an accountant and a person entitled to receive money, the latter denying that the accountant had paid him the money, and the former exhibiting a × without a witness to shew that he had paid it, how would the Bank act, would they consider the × unwitnessed as a sufficient proof of the payment?—They could not; but the clerk would be called to prove the payment.

[Witness wthdrew.]

Mr. James Trotter *called in and examined.*

603. Can you state, from personal knowledge, Mr. Oliver Phelps' conduct with respect to the 34 locks' contract which he held, and the manner in which that contract was fulfilled?---Yes. He sub-let the locks to a number of persons at about $600 or $700 less than his own contract. I think that some of the locks were very well done, and there were others done by these sub-contractors very slightly. I spoke to a number of them, who said that the price was so low that they could not do their work as it ought to be, and that if the work was to be done well a better price ought to have been allowed.

604. Mr. Oliver Phelps states to the Committee that when he held the deep-cut contract he excavated 77 chains of the North end---that the average cutting was 49 feet 85-100---that he began 17 29-100 feet below the surface---and bottomed his part of the deep-cut. Is this true? Did he bottom these 77 chains or any part of it?---I do not think he did. I do not know that he bottomed any of the deep-cut, but Mr. Donaldson did I believe, who had a separate contract. as I considered, from the Company, and who stated so to me. Mr. Phelps stated that the bottom of the deep-cut was to be 15 feet wide, and wished me to take a pole and measure the width of the bottom where he (Donaldson) had bottomed it. I did so with a ten foot pole. Mr. Donaldson asked me why I was doing so, and said he supposed Mr. Phelps sent me there. When I measured it it was only from 10 to 11 feet wide; when I told Mr. Phelps this he said that he would see Mr. Merritt or the Engineer to ascertain whether Mr. Donaldson would be allowed to go on with it, or else he would have the contract out of his (Donaldson's) hands.

605. In his evidence as to his own proceedings as a contractor for the deep-cut, Mr. Phelps says he used his sub-contractors with great kindness; do you know the facts? Mr. Phelps got large allowances beyond his contract---did he make similar allowances to his sub-contractors?---He employed me the last summer that he worked on the deep-cut to let the shovelling out by the yard, and he would pay seven cents per yard for shovelling it into the carts; the deep-cut was arranged with a certain number of runs where the machines were fixed for carting up the muck---he was to have the earth ploughed for them. On these conditions I let the work out as I thought the men could make good wages at seven cents per yard for filling in. The men worked very hard for one month and got their estimates, and had only from three to six dollars a month, after paying their board; the men turned out and would not work any more; he wished me to get them to take it for another month on the same conditions, as he said he thought there was something astray in the estimates, and I persuaded them to try it another month, at the expiration of which they had only from eight to twelve dollars a month, after paying their board, and I considered from the way the men worked for the two months, that they ought to have had from fifteen to twenty dollars each month after paying their board. He then hired the men at twelve to thirteen dollars per month, and paid their board. I always considered that the men never got a fair statement of the quantum of the work from Mr. Phelps, as they did it by the yard.

[Witness withdrew.]

The Honorable John Henry Dunn, Receiver General, *called in and examined.*

[By Mr. Mackenzie.]

606. The following are extracts of a letter from you to W. H. Merritt, Esq., dated York, 24th July, 1834.

"Your Agent has been able to get donations of £100 each from the Solicitor and Attorney Generals."

"You should send a circular to His Excellency, and as he is not willing to be a member of the Company he may give a donation."

As these gentlemen paid donations to the work why are they not accounted for in the books like that from the Bishop of Quebec?---I think there were some donations given in land, but so inconsiderable that they never were called upon. The only sum of money that I remember having received was from Quebec, but I cannot remember from whom.

607. The sum of £447 10s. appears to be twice charged as cash paid by Company, viz: in 1831 and 1835, for loss on steamer Peacock, chartered by the Company. There is no voucher or detailed account to shew that there ever was any loss on this boat, and Mr. M'Micking has this day stated in evidence, that the Agent of the boat, Mr. Macey, told him there was no loss. Do you remember any thing of those transactions?---I do recollect that the steamboat Peacock was engaged, but I do not remember whether in the first instance by Mr. Merritt or the Company. It was considered very necessary for her to be engaged by the Company in that way, to induce travelling, &c. It was by way of experiment. I know nothing of the charge of £447 10s. mentioned in the question.

608. Why were the accounts of the toll and forwarding of the Company neither audited nor placed on the Company's books of account in 1830, 1831, 1832, and the early part of 1833?-- It is a subject I have frequently brought before the consideration of the Board. I have frequently asked for a statement of these accounts, but never could get it. Mr. Black was the person to whom I most particularly used to speak, but the excuse was the returns or moneys were not received from time to time. Mr. Randal was the only one who used to make his returns regularly and pay his collection, it was always told me; when I applied to Mr. Black and others, for the moneys collected by other collectors, they answered that they were appropriated to the uses of the Canal, and to assist to pay the estimates.

609. Mr. Black states to the Committee that although a cash account of the actual monied transactions of the Company was necessary to be kept, he was prevented from doing so by some of the Directors, If so, what were the circumstances which induced the Board to dispense with a book or account held to be indispensable to the regular keeping of accounts?---I always objected to this system of keeping accounts, and considered Mr. Black incapable of so doing, and objected to his appointment from the first, and thought he would eventually bring the books into a state of confusion. I do not know whether there was any order for keeping a cash account.

610. Among the awards I find the following:---

"In the matter between Thomas Merritt and William H. Merritt and the said Welland Canal Company, we, the undersigned, do find, award, determine, and declare, that the advantages of the said Thomas Merritt and William H. Merritt (excepting the mill seat and appurtenances hereafter mentioned) are equivalent to the value of the lands proposed to be taken by the said Company, being estimated at nine acres and three quarters, and of all injuries or damage occasioned thereto by reason of the said canal.

It being intended that the said Company should purchase the mill-seat, mills and appurtenances of the said Thomas Merritt and William H. Merritt, we, the undersigned, to award, determine, and declare that the said Company shall pay to the said Thomas Merritt and Wm. H. Merritt the sum of six hundred pounds of lawful money of Upper Canada, in full compensation for the said mill-seat, mills, lands (estimated at seven or eight acres) and buildings appurtenant thereto, dated this 31st day of August, 1826.

(Signed) A. Nelles, T. Butler, Samuel Street, Thomas Clark, Alexander Wood, John Hill, William M'Clellan, Richard Woodruff. George Ball, Marshall Lewis, James Durham, George Shaw, Samuel Thiel, George Lacey, H. Mittleberger, Samuel P. Jarvis, James Black, Crowell Wilson, William Smith, Jacob Keefer, Robert Nelles, Grant Powell, Thaddeus Davis, Edward M'Bride, J. B. Macaulay."

I was unable to refer to it before closing the statements or charges, it being at St. Catharines. It appears that the arbitrators were informed that the Company intended buying Merritt's mills, and the Cash Journal shews that he was paid for these mills. The Secretary reports that he has no deed of those mills among his papers as required by the by-laws---was a deed given, or if not, why was Mr. Merritt paid until he gave a deed?---I do not recollect all the circumstances connected with this question.

611. Mr. Keefer has possession of a very valuahle mill seat, for which he is paying no rent; he appears to have no lease, only an order of the Board when three Directors were present, he being one, in 1825, after the expectations held out to the public of great returns from the water power, was it correct to give this mill seat to Mr. Keefer for nothing, without consulting the Stockholders?—I think at the time that mill seat was given to Mr. Keefer it was hardly supposed that we should ever get the water through, and to induce confidence and promote the advantages of the Company, it was deemed an advantage to grant this mill to Mr. Keefer with a view of inducing others to enter into the same sort of enterprise and enable the Welland Canal Company to dispose of their hydraulic sites, and we thought it was but a fair compensation to give that gentleman that site for the example he had shewn. If the gift was to be made at this moment, I should say most unquestionably the Stockholders should be consulted because it is of great value, but at the time it was given for my part I thought it was a very hazardous thing to build a mill there at all—and therefore considered it of little or no value.

612. Was not Keefer's mill at that time expected to be the summit level of the canal, and consequently the most valuable of the whole, had not the deep cut slips taken place?—I do not consider that at that time that situation was more valuable than any other on the canal in that neighbourhood.

613. Did not the making Mr. Keefer a present of the mill seat for four run of stones the water to which was to be brought to his mill at the expense of the province, and private individuals enable him to compete in too advantageous terms with Messrs. Woodruff, McMicking, and others who had built mills with steam engines and could not grind so cheap as a director who had the impelling water power given him for nothing?—I consider the more mills there are in the country the better, as it induces farmers to take their choice in the market and consequently get a better price. I believe Mr. Keefer has got his wheat principally from the United States, and an advantage would result to the canal by way of toll.

614. It does not appear to the accountants employed by the Committee that more than £400 or £500 have ever been received for the leasing or sale of water power from the opening of the Canal up to last December—what was the system of management of the Hydraulic Privileges during your presidency?—I know the causes which led to the sale of those Hydraulic sites, but to the detail part of the payments what has been received and other particulars I forget. The Company were exceedingly embarrassed for want of means to carry on the canal; it was suggested by Mr. Yates that the sale of these hydraulic sites was a legitimate means of raising funds, and I think he placed the value of £25,000 upon them together with all the lands—I think he made an offer to this effect to become a purchaser—The Board considering however that the offer was a very liberal one, and the necessity great, they determined to dispose of them, and in order that there might be fair competition and more money got if possible for them the sale was made known through the various papers of the province and the United States, and the bargain was ultimately made with Mr. Yates for the sum of £25,000 on a credit bearing interest, which I think was to be paid annually, and upon which it was intended to raise a sum of money in the United States sufficient to carry on the works of the Canal the result of which I know nothing, but do know the object the Company had in view, which was the raising of money, was not realized. We were very much condemned for this transaction by the stockholders in England.

615. Supposing that Mr. McDonell and Mr. Yates had paid nothing at all on their purchase, sold part of the lands and kept the money, received the rents of water power on the line for years, kept possession of the mill sites and water power at Allanburg, got a deed of the town plots at Gravelly Bay, and received £17,500 in bonds of the Welland Canal Company bearing interest in order to induce them to give back the remainder of the lands and water power, would you consider it a transaction that ought to be sanctioned by the country?—I certainly am of opinion that as a bargain made between Mr. Yates and the Campany whatever profit they might make of the Canal they were entitled to, as they would have to lay out a considerable sum of money to make the property valuable, and if they have not fulfilled their engagement they should be compelled to yield to the Company all the profits they may have made by the same,

616. The greatest confusion appears to me to have existed in the monied concerns of the Company in the latter half of the year 1832, after Mr. Black left. Mr. Merritt states that he did not act as Secretary although appointed to that office, and Mr. Clark is stated to have been the person in charge of the accounts—As this happened in the last year of your being President you can probably explain why monied matters were so conducted?—I think that the keeping the accounts of so large a concern as the Welland Canal, persons should have been chosen who were better acquainted with the nature of book-keeping—many errors would appear from that circumstance, and improper apprehensions might be conceived when there was no real cause of it—This applied as well to Mr. Clark the present Secretary as to Mr. Black as mentioned in my former answer.

617. Under what circumstances was the loan of £50,000 obtained from the United States Bank in 1831?—On the credit of provincial debentures issued by me and delivered to the Company and negotiated by Mr. Yates with the United States Bank at 5 per cent per annum for a certain number of years, at the expiration of which it occurs to me that the United States Bank charged 6 per cent—this was an arrangement entirely between the United States Bank and Mr. Yates.

618. Do you consider a charge of one per cent, on $2,000, on the Company's books as a payment to J. B. Yates for obtaining of the United States Bank this loan of £50,000 to the Welland Canel Company a fair and reasonable business transaction?—I am not acquainted with such transactions in the United States, but I have sold some private bills on London, negotiated by Prime Ward, King, & Co., and their charge is one half per cent commission.

619. Can you inform the Committee why £178 are charged by the Canal Company as interest on the £3,000 given to the Commissioners?—The loan was raised by me through the Bank of Upper Canada which was to bear the legal interest and the debentures were to bear only 5 per cent by the act. They could not be negotiated at that rate and consequently could not be issued under that law.

620. Would you have considered it correct for the officers to have paid themselves their salaries without an order of the Board, and contrary to the by-laws during the time you were President?—If they did so it was very wrong, it being contrary to a by-law of the Company.

621. I would ask you whether in the case of an officer of the Company with a salary of £400 a year, which was the sum paid Mr. Merritt, is it probable that such officer could have received about $1000 in one year without knowing it or finding it out either then or since?—It depends entirely upon the officer keeping a regular account whether he could or could not.

622. Have not the people of Lower Canada as well as the Legislature, contributed with great liberality to the canal already in their subscriptions for nearly $150,000 of stock for the Province and for individuals?—I can only give the affirmative in answer, but I think the merchants and other individuals in Montreal should have been more liberal than they have.

623. Was it not a standing order when you were at the head of the Canal Board that no money should be paid out by the Treasurer or officers until it had been sanctioned by the Board of Directors?—I think so.

624. Can the President or officers of a Bank or Canal Incorporation, lawfully or with propriety lend the funds of the Institution to individuals without the approbation of the Board first obtained?—I think they should not be allowed to do so.

[By Committee.]

625. As you were President of the Welland Canal Company for some time should it appear that there have been errors, erasures, and false entries in the books, from your knowledge of the officers of that Company would you attribute this misconduct to an attempt to defraud either the public or the Company?—I attribute the erasures, &c. from the circumstance I have already stated of the insufficiency of Mr. Black to fulfil the duties of the office of Secretary who I verily believe to be a strictly honest man—no fraud could have been committed without his sanction—and further, from my knowledge of the other gentlemen who were and are connected with the control of its affairs, they are esteemed by me in the same light.

[Witness withdrew.]

Friday, *25th March*, 1836.

Committee met.

PRESENT:

James Edward Small, Esquire, *Chairman.*

Messieurs Chisholm,
Gibson,
Parke,
Roblin,
Shaver,
Thorburn,
M'Donell,—8.

Hon. JOHN HENRY DUNN *again called and further examined.*

[BY MR. MACKENZIE.]

626. It appears that upwards of 200,000 square feet of timber was got out in 1825, under a contract with Theophilus Brundage amounting to £1,300 or £1,400, for which he was paid, besides being paid for taking care of it. This timber was intended for a tunnel but not used by the Company in any way. I do not find that one shilling of returns from sales of that timber is to be met with on the Company's books, and evidence has been given shewing that persons in the employ of the Company realized money from the sale of that timber or of part of it. As President of the Company it is probable you can give the Committee some information on this subject.—I remember that there was a great quantity of timber got out for that purpose and brought into the Chippewa River and a person was employed to take charge of it by the name of Brown, some of it had been stolen and some had drifted away, and I think the remainder was sold to different individuals and a specific bargain made, but I cannot recall to my mind whether there was any money received, or how it was ultimately settled.

627. In what way do you account for the remarkable unwillingness shewn by capitalists and land-owners in all parts of this province to have any thing to do with the Welland Canal as stockholders?—We were very anxious to obtain persons in the neighborhood of Saint Catharines of respectability to become directors who were exceedingly interested in the completion of the work, but had not the means to make investment—and in order that the Company might avail themselves of the services of Mr. Clark, I was induced to qualify him.

628. Was you satisfied with the manner in which Mr. Oliver Phelps carried on his contract for the 34 locks?—There were 2 or 3 locks that I always complained of near his own place. I considered them badly built, and one or two of them I think bulged in a very short time after they were put up.

629. Seeing he did the work by sub-contractors and allowed them very moderate prices, I would like to ascertain the reason why he was allowed many thousand dollars more than the contract price?—I cannot call to my mind the circumstances—I think there were statements made from time to time of losses made by him; we were very much guided in the consideration of claims of this nature by the representation of the Engineer and Agent. I cannot tell if Mr. Phelps was allowed any additional remuneration or not, but I suppose the minutes of the Board will shew the transaction. The Board I will say always considered Mr. Phelps a very excellent man, and were ready to take into consideration any statements made by him.

630. Was not the work as well done by Hovey & Ward, Love Newlove, Rowley & Hartwell, on the Deep Cut before they were removed and the whole given to Oliver Phelps, the contractor for the locks?—The work appeared to be as well done, but Hovey and Ward were endeavoring to drive us into terms that we did not think ourselves warranted to accept, and unless we agreed to them they said they would not proceed. I think at that time there was an advertisement put in the papers offering a premium to construct machinery which would facilitate the excavation of the Deep Cut; Mr. Phelps appeared to offer the best method of doing so—this, together with the confidence the Company reposed in him, came to terms to relieve Ward & Hovey of their contract, who were anxious to give it up—and accordingly we engaged with Mr. Phelps: Messrs. Ward & Hovey were repeatedly urging the Company to increased demands per cubic yard; it was our intention to take into consideration their case on the completion of the job, but they still objected.

631. Will you have the goodness to mention upon what evidence you have stated that Messrs Ward & Hovey were desirous to give their contract up?—I believe they were anxious to give their contracts up rather than to proceed according to them—Mr Hovey stated that they could not compel him, and that he would not proceed with the work.

632. Mr. Oliver Phelps had the 34 locks contract with Ward & Hovey—he had been behind his time in finishing it—he had received far larger prices than he agreed for, and you have stated that you are dissatisfied with part of his work, and that you had great confidence in Mr. Ward. Under these circumstances, I would wish to know upon what principle you employed Phelps on the Deep Cut and gave him a large additional allowance after refusing any increase to the first contractors?—We considered Mr. Phelps as the ostensible person in the contract of the locks, which contract he completed to the satisfaction of the engineer; he continued on the Deep Cut to the time it was abandoned. Ward & Hovey had comparatively done but little.

633. Did Oliver Phelps bottom his part of the Deep Cut?—Some part of it he did, I believe. I cannot state from my personal knowledge any thing more about it.

634. As the locks contract was not finished when you gave Mr. Phelps the Deep Cut, you could not, I think, have been influenced by the Engineer's opinion, which you have referred to, in giving two such very large jobs to one person?—I think I have answered the question in a former answer.

635. Mr. Phelps having given the replies now read to you, I wish you to say whether Mr. Merritt urged on you or on the Board to continue Hovey & Ward in the Deep Cut contract at the time Phelps proposed to take it?—Not at that particular time, but he did up to that period.

636. Can you refer to any settlement with Mr. Phelps on the minutes of the Board wherein you agreed to forgive him £7,558 of advances, besides the £1,250 extra allowance, and the sum of $7,000 and upwards allowed him for teams, &c., on the Deep Cut contract?—All those circumstances are I suppose, recorded in the Journal of the Company's proceedings. I do not recollect of any such circumstance as that mentioned in the question; this I do remember that Mr. Phelps had a claim, but what it was for, or the amount, I cannot say. I do not remember a claim of so large an amount as that stated; but about the time I left I remember there was a desire evinced on the part of the Board to give up his mortgage, which was, I thought, about 2 or £3,000.

637. Were you aware at the time you left the

Board that Mr. Phelps was entered on the Company's books as a debtor for £10,000 or thereabouts for cash advances made him on the Deep Cut contract several years after the Deep Cut slips took place, and the engineers had reported on his work?—So sar as I recollect the advance was about the amount of his mortgage.

638. Was there any allowance made Mr. Phelps while you were President or agreed to be made him other than as appears by the minutes of the Board?—It could not be, all the allowances that were made must have been made according to the minutes of the Board, and they should always shew it.

639. For what reason was Mr. Phelps allowed $2000 in 1832 for superintending the locks when it was his own contract?—I cannot call to my mind any circumstance relating to that subject.

[By Committee.]

640. Admitting that it be proved that the work has not been prosecuted with that regard to economy and good management which might have been desirable, do you think that Mr. Yates and the other large stockholders are the less entitled to favorable terms in their proposals for the purchase or sale of the canal?—The stockholders have nothing to do with the loss occasioned by mismanagement, if there was such,—as a proof that they were satisfied the canal was carried on with prudence and discretion—they elected the same Directors every year, and never seemed to desire a change.

641. Although Mr. Yates' commission for negotiating the loan may appear high in a plain business transaction, from your own personal knowledge of that gentleman's exertion, and the large amount of capital advanced by him at an early period, do you think him entitled to the favorable consideration of that Company?—I think Mr. Yates was always entitled to the most favorable consideration of the Company.

[By Mr. Mackenzie.]

642. Was not the election of the Directors or a majority of them always in the hands of Mr. Yates and the New York stockholders?—Yes, as Mr. Yates was the Attorney for all the New York Stockholders.

643. Mr. Buchanan in a letter to Mr. Wenham and now shewn you states that he entered into a private agreement with Mr. Merritt in 1824 of a nature different from his public agreement to become a stockholder. Do you know any thing of this transaction?—I think there was a letter written to the Board by Mr. Buchanan wishing to withdraw as a Stockholder altogether, which the Board did not accede to—a part of his stock subscribed at New York he stated he did not intend to pay. I know of no secret agreement other than by this letter.

[By Committee.]

644. Did you go to New York in the winter or spring of 1825 and dispose of stock, and to what amount—did you hear from any stockholder then at that time that they had subscribed in consequence or were influenced by seeing Mr. Buchanan's name on the list?—I went in the spring of 1825, about the last of April, and disposed of stock to the amount of £75,000, and could have disposed of more had I been authorised—I do not recollect that any person in New York stated to me that they were influenced to subscribe by Mr. Buchanan's name being on the subscription list.

645. Have you received any, and if so, what remuneration for any services performed by you for the Company as President or otherwise?—None whatever, either directly or indirectly.

[Witness withdrew.]

Mr. Trotter *again called.*

[By Mr. Mackenzie.]

646. Do you know any thing relative to the contract taken by Mr. Phelps for excavating five miles of the canal on this side of Dunnville in 1829 and 1830—the price he took it at, and what he received—the manner in which he carried it on—the nature of the embankment—and how the work was finally disposed of?—I proposed to do the whole of the route except three or four sections at from 13 to 15 cents per cubic yard. Mr. Phelps got the whole contract—I do not know at what rate. He sub-let the work to others contractor—they did not finish their contracts. Mr. Merritt wished me afterwards to go up to the feeder with men and teams to assist in finishing the work; he also employed other contractors for the same purpose. I do not think Mr. Phelps finished any part of the work.

647. I perceive that in his statements made to the Board of Directors, Oliver Phelps values a meeting house built by him, do you know how he came by the timber that built it, and what he did with the house?—There was a large house of worship there, he partly built it with tunnel timber. This timber was used for the siding of the house.

648. Did you ever cut any roads for Mr. Newlove when Mr. Merritt took his job at the Deep Cut away from him and gave it to Phelps? Did Newlove pay you—and did he use these roads?—Yes—I got I think two roads cut, and Mr. Newlove paid me $72 for the work. I do not think he did use these roads.

649. When you prosecuted the Company for the claim you had and recovered, was it because they denied the debt or because you were unwilling to wait—and what was the conduct of their accountants in that case?—At the time I got that claim I got a due bill from Mr. Black—I spoke to Mr. Dunn to know whether the Company had any money—he told me they had at that time, and that if I would go over he thought I would get my pay. I went over and saw Mr. Black, who told me he was not authorised to pay any claims, and told me to call on Mr. McDonell, and he told me to go to Mr. Merritt; but I could get no money and then returned home. In about three months after I visited St. Catharines again, when Mr. Black sent me to Mr. McDonell again, and Mr. McDonell told me that they could not nor would not pay me until such time as the Welland Canal office had funds to pay the claims. I then returned and gave my claim to a lawyer, who sued for it and recovered it.

650. How did Mr. Phelps use the men who had to work by the yard on the Deep Cut?---I do think Mr. Phelps used the men very unjustly by not allowing them what they really did.

651. Do you think that the placing the earth on the bank of the Deep Cut was the cause of the slips that took place?----I think that if the earth had been moved back according to the original practice the slides would not have taken place so soon, but I do not know what might have taken place afterwards.

652. Did any of the earth that was placed on the bank of the Deep Cut on Mr. Phelps' job slip in again?—It certainly did to a great extent—the earth on the banks pressed down and bulged in the sides.

653. Where did Phelps get the timber for his large store—and what was done with it after the Deep Cut failed?---The principal part of the timber for the frame and cellar was this tunnel timber, the building was afterwards sold when the work was done to the account of Mr. Phelps I believe.

654. Did Phelps take any of the tunnel timber down to his own place at Centreville?----There were teams employed in hauling that timber down to the foot of the mountain----I do not know whether he put it in the locks or for his own private use, but I rather think it was for the locks.

655. What did Phelps do with the tunnel timber of the church when the work was done?---It was hauled to the foot of the mountain to his own place.

656. Was the Deep Cut the full width when Phelps got the work, or did he widen it?---I do not think he widened it, as Hovey and Ward made a contract with me to widen a part of it ten feet wider, which I did before he got the work.

657. Was Love Newlove treated with injustice in having his contract taken from him without failure on his part in order that it might be given to Phelps?---I know that Mr. Newlove was making money by the job at the time it was taken from him---he said that he could finish his part of the work he thought for 30 cents.

658. Speaking from personal experience and observation, what was the conduct of the Company towards contractors---to yourself for instance?----I have a claim against the Company. In the fall of 1828 I finished section No. 24 in the spring of 1829. Mr. Barrett the Engineer employed me to raise the embankments where they had sunk, and told me that I would be paid by estimate or days work---he told me afterwards that he would give me a statement & I would be paid by the day. I got the statement from Mr. Gooden, an Engineer. Mr. Barrett told me to bring it before the Directors and that he would attend to it. Mr. Merritt asked to see the statement; he (Mr. Merritt) took it into the Secretary's office---I never saw any more of it, or got any thing for my work; the amount of work was 486 days. Mr. Barrett always told me that I would be paid for it---that I need not be uneasy. Mr. Newlove is acquainted with these facts.

659. In the case of Oliver Phelps I perceive that several years after he was paid in full, as per estimates of Engineer, for the lock contract, he makes a charge of $2000 which were paid him for superintending his own contract. Was it customary to make such allowances on the Welland Canal?---No. I never knew that contractors were in the habit of getting any such charge.

[By Mr. Merritt.]

660. Was not the contract you refer to on new feeder let out late in the spring---was not a condition in that contract as well as all others to finish within a given time or the Company had power to put on other contractors---was not every person sick without exception on that line—did the Company not put on you and all other contractors and concentrated thire entire force on that part of the line—and was any preference given Phelps or any other contractor on that occasion, and did not Phelps object to complain of their proceeding,—and further did you ever know more work done with the same number of men in the same time than on that occaision?—As regards the first contract to Mr. Phelps I think there was.—Mr. Phelps stated to me that he knew that I would get two or three sections of it, but that if I would withdraw he could get the whole and let me in as a partner—and I considered that when Mr. Phelps took the contract that my name was in the contract with his, and he afterwards told me it was not, but that the whole of it was his own private contract.—There was a time limited to do the work—Mr. Phelps failed in doing the work according to his contract—myself and other contractors were brought on and finished it. Every man did all he could to push the work forward so as to get the water in.

661. Did you ever mention the circumstance of Phelps agreeing to join you to the Engineer or myself until after Phelps had the contract and you had been up the line and returned?—No I did not.

662. What price did you understand Mr. Hovey asked the Welland Canal Company for excavating the Deep Cut?—Mr. Hovey told me he should not like to undertake to excavate to the bottom for less than 50 cents per yard.

663. Did you know of a well having been dug at the North end of the Deep Cut near the bridge, some feet below the level?—Yes.

664. And did you ever hear any person apprehend any danger from slips until after they had actually occurred?—No.

665. Except the claim you refer to do you know of any instance of partiality or injustice to you or any other contractor—was not the work generally carried on with as much rigor and attention as under the circumstances was practicable? Was not the claim you refer to the settling of embankment on lots?—Yes, by order of Mr. Barrett. I consider that other contractors were losers by their jobs and were not remunerated as was Mr. Phelps.

[Witness withdrew.]

Mr. Clark *again called.*

[By Mr. Mackenzie.]

666. There are $4051 in an account paid last spring or summer to T. Merritt, Junr. for day work and materials, with no other certificate than that of John Fisk the contractor, Merritt's own clerk, and an occasional workman. Is not Mr. Black the super-

intendent, and is it not a part of his duty to report on or sign accounts, certifying from his own knowledge ?—I should suppose that if Mr. Black certifies he ought to do so with his own knowledge—I do not say that Mr. Black has not done so. In respect to Thomas Merritt's account 1st May, 1835, I do not observe Mr. Black's signature thereto; what reason he may have had for withholding it I do not know; I consider it was his duty to have placed his signature to it. This account passed the Board at the time yourself and Mr. Thorburn were present.

667. Why have you given up the system of keeping accounts current with the contractors which so much simplified the proceedings of the Company when in use by Mr. Wenham ?—I am not now aware that that system was kept up by Mr. Black, and from that circumstance I suppose I neglected to keep such an account.

[Witness withdrew.]

SATURDAY, 26*th March*, 1836.

Committee met.

PRESENT.

JAMES EDWARD SMALL, ESQ., *Chairman*,

Messieurs Chisholm.
M'Donell.
Parke.
Roblin.
Shaver, and
Thorburn.—7.

MR. HINCKS *again called and further examined.*

[BY MR. MACKENZIE.]

668. The last item in the Commissioners' general account is, for Mr. Robinson, "paid my own salary for 254 days, at $5 per day, in part, £239 8s. 5d., this would leave a balance due Mr. R. of £78 1s. 7d., but in his detailed account he deducts 32 days absent, or £40, and £12 10s. received from Mr. Merritt, which is for an account charged by him, but paid and charged by the Company, leaving, as he states, a balance due him of £25 11s. 7d. In case the Legislature should consider Mr. Robinson entitled to $35 per week, for the term in which he was on the Canal, and admit his statement of time, is this balance correct ?—I think that it is.

669. I have stated to the Committee that Mr. Robinson charges the following items to the Canal Company twice over, viz: Widow M'Keefer $50, 12th March; John Toyne, $25, March 9th; William Murray, $10, March 11th; H. M'Keefer, 10s., March 28th; Silverthorn, $8; Carson and Sloan, £5, April 5th; Johnson Orr, $14; H. M'Keefer, $10; John Vanderburgh, $300; Thomas Martindale, $40, and Andrew Ratcliffe & Co., $50. Are you satisfied, after having examined the accounts, that he has done so ?—I am.

670. There is an order for £8 10s. S. H. Farnsworth, on John Clark, (the latter acting for Mr. Robinson) in favor of John Shore, dated 5th April, 1833, as follows:—

STONE LOCK, *April* 5, 1833.

J. Clark, Esq., please pay John Shore an account of Welland Canal Commissioners, eight pounds ten shillings, it being for emptying two cribs at Vanderburgh's lock.

S. H. FARNSWORTH

This is entered in Clark's Commissioners' leger, page 43, as £8 10s., but in Mr. Robinson's general account of his disbursements, he charges it as £18 10s., April 3d. The receipt, in the hand-writing of Mr. Clark, on the 5th of April for £8 10s., and signed by a cross, without a witness, has been since changed in another hand to £18 10s., and the date from the 5th to the 3d. Are these statements correct; and if so, have you been able to obtain any satisfactory explanations ?—The receipt above alluded to has been evidently altered from £8 10s. to £18 10s.

671. I have stated to the Committee, that although Mr. Robinson claims £2201 11s. 4 1-2d. as money expended by Mr. Farnsworth, and refers to Farnsworth's account and the vouchers, yet the account thus referred to amounts only to £2124 5s. 5 1-2d. and of this sum, which is £77 5s. 11d. short, there are a great many receipts or vouchers made with a cross without any witness, some are without vouchers at all, and in a number of cases the service performed is not mentioned. Are these statements in accordance with the facts as inquired into by you ?—They are perfectly correct.

672. Cyrus Rose, of Dunnville, received of the Welland Canal Commissioners, to expend on the Canal in 1833, £766 16s. 6d., also £131 0s. 0 1-2d. from the Canal Company. I wish that you would describe to the Committee how these sums are accounted for; and that you would state the sum overcharged by Mr. Robinson, after allowing all sorts of vouchers whether with or without dates or crosses or witnesses, or of whatsoever description they may have been.—On comparing the sums charged as paid to Mr. Rose by Mr. Robinson and his agents, with Rose's receipts, the sum of £98 8s. 1d. appears unnaccounted for by Rose, allowing all the vouchers which are amongst Rose's papers, some of which are of a very unsatisfactory nature.

673. I have also stated that of the £200 charged by Mr. Robinson, as paid T. Merritt, in October, 1833, £50 were paid by Farnsworth without taking a receipt, and charged by Farnsworth, thus making an overcharge of £50; and that $100 is admitted by T. Merritt to have been received by him from Mr. Robinson on the 3rd of May, 1833, and $50 through Tench in June, which Mr. Robinson has not charged at all—thus reducing the overcharge to £12 10s. Is this correct ?—Yes.

674. I have stated to the Committee, that with respect to Thomas Merritt, Jun.'s accounts, £200 were paid him by Mr. Robinson for the Commissioners, in 1833, on his Gravelly Bay Pier contract, at the request of the Board of Directors of the Canal Company, at a meeting held by them in July of that year; and that this sum is not yet charged to Thomas Merritt on the books of account of the Canal Company. Is this in accordance with the facts as inquired into by you ?—Yes.

675. I have stated that Cyrus Rose charges the Company through Mr. Robinson, $28 13 cents, for gravel, paid Andrew Thomson on the 14th of June, 1833, and Mr. Robinson charges it over again, although it is evident from the account it was not twice paid. Is this so ?—Yes.

676. I have stated that $30 paid Vanderburgh, 12th March, 1833, on account of Fisk, is charged twice to the Company by Mr. Robinson. Is it so ?—Yes.

677. Did you observe sundry errors in the computation of John Vanderburgh's account for the hauling of stone, dated 11th of April, 1833, amounting to £12 7s. 3d., for which sum Mr. Robinson appears to have over-paid him ?—Yes.

678. Should not £25 of the £103 9s. 2d., charged by Farnsworth, as paid T. Merritt, Jun., for Mr. Robinson, be deducted from that part of the accounts presented as payments by Mr. Robinson ?—Yes.

679. With regard to Donaldson's accounts, as superintendent under Mr. Robinson, I have informed the Committee that some of his vouchers are crosses not witnessed; that others refer to no service done or materials furnished, and that for a part of the money entrusted to him there are no vouchers at all; and that about 300 gallons of whiskey purchased by Mrs. Paterson from Mr. Kirkpatrick, in the course of ten days are charged, through Donaldson, to the Canal. Have you found these statements correct ?—Perfectly correct.

680. Mr. Robinson paid Helmer, on the 18th of October, 1833, his account in full, and being unaware that an order had been given Helmer for six cwts. of flour on George Keefer on the 8th. Keefer got the payment for this flour from Farnsworth, in Nov., and it is charged to the Company. Is it not a debt due by Helmer to the Company of $18 ?—It is.

681. There are £10 charged by S. H. Farnsworth as paid to St. John, in his detailed account, for which there is neither account of expenditure nor voucher. £10 also charged by him as paid to W. H. Merritt, and £2 to L. Dyer, both of which are in the same situation. Have any explanations been afforded you of a satisfactory nature relative to these sums ?—Not at present.

682. A contract was entered into between the Welland Canal Company and John Vanderburgh in August, 1833, which commenced Sept. 15, and ended 15th Nov., at which time repairs, &c. are again charged to the Company as per estimate books and

accounts. The contract amounts to £115 10s. per month, as follows:—

15th Sept. to 15th October, 1 month, - - -	£115	10	0
15th Oct. to 15th November, 1 month, - - -	115	10	0
	231	0	0

The payments are all by Mr. Clark, as follows:—

A payment on 1st month, per receipt, No. 1, and estimate book, - - - - - - - - - - - - - - -	£65	10	0
A payment on second month, per estimate book, page 81, - - - - - - - - - - - - - - - -	65	10	0
A payment in August, 1834, per Mr. Clark, said in receipt to be on second month, - - - - - -	20	0	0
Already charged in Canal Company's books, -	£151	0	0
Mr. Clark also paid, on behalf of Mr. Robinson and the Commissioners, Nov. 2nd. £50 0 0			
Do do Nov. 19th, 30 0 0	80	0	0
	£231	0	0

I do not find that Mr. Robinson has charged this £80 in his general account, it must therefore go to his credit. But Mr. Clark also exhibits another receipt for £24, dated 14th Nov., 1833, with an order from Vanderburgh, dated the 8th of Nov., and an acceptance by Mr. Clark, dated the 12th. This is stated to be a payment on account of the Commissioners, and no service mentioned, it is not charged by Mr. Robinson. Does it appear to you that I have stated the facts as they stand on the books and papers shewn to you?---Yes.

683. Farnsworth charges $20 as paid for tools for John Fisk as per bill. There is no bill nor voucher, nor any explanation. Should such a charge as this be allowed as good against the Company?---I should think not without some explanation.

684. Do you consider the vouchers offered by Mr. Robinson for the expenditure of so much of this money as there are any detailed statements, in all cases satisfactory, and such as would be allowed in the public offices as a good discharge to an accountant entrusted with the expenditure of public money?---I consider the vouchers offered by Mr. Robinson to be very unsatisfactory and extremely discreditable to a person entrusted with public money. I do not know the the custom of public offices in this respect, but presume that such vouchers as I have seen (signed with a cross without a witness) would not be taken by any public accountant.

685. Is there any bill or voucher in detail, or any statement to shew the expenditure of $200 charged the Company as a payment to Vanderburgh for lock-tending up to May 1823, page 14 estimate book?---There appears to be no voucher.

686. Are the committee to understand that the conclusion you have come to on your examination of the accounts I have pointed out is that there is a defalcation or deficiency on the part of the persons entrusted with the money of the Company to the amount of about £2000? Is there not about that sum for which as yet no satisfactory account is given by them over and above sums for which they have no vouchers or no regular vouchers?---To the best of my knowledge the amount which has been twice charged on the books of the Company, or for which credit has been improperly taken by the officers as far as I could judge is about £1000 --about £700 more appear to have been improperly credited to persons or paid them without authority. This latter sum includes £132 of Orderly's, the £149 paid Mr. Merritt and not charged him, the £75 not charged to T. Merritt till December 1835, and the £50 erasure in his account and other sums which though they would have caused a loss to the Company of that amount---say £734---yet I have not included them under the head of charges made twice or toll unaccounted for which constitute the £1000. I have not included the deficiency in Mr. Robinson's account under the first heads, It appears at present not having any explanation from him, that the sum of £302 6s. 3d. is the balance between those sums for which he has twice taken credit and the £80 which he did not charge.

687. Is it possible that the account sworn to in 1832 of the application of money's received by the Welland Canal Company and its officers from the United States Bank can be just and true, and if not why not?---My opinion is that it cannot be correct because the sums paid from the Bank as appears by the books for loss on Peacock and to Mr. Yates are not included in the balance handed to the Legislature, but it is possible that £50,000 may have been paid in the way stated, though it could not all have come through the United States Bank if the books are correct.

688. Have you not made every possible inquiry at the officers of the Company relative to the several accounts which I pointed out to you as being improper, before coming to a conclusion on the several matters to which your attention has been directed?---I have always asked Mr. Beaton to explain any matter on which there was a doubt and he has frequently assisted us, but latterly he declined giving any explanation.

[Witness Withdrew]

Mr. Young, *again called and further examined*

[By Mr. Mackenzie.]

689. As an accountant employed by the Committee of the Legislature you have been present examining the several accounts concerning which Mr Hincks has this day given evidence. Have you read the questions put to him and his answers, and do you concur with him in these, or in what respects or in which of his answers do you differ from him?---Having examined the accounts referred to conjunctly with Mr. Hincks. I concur with him in the answers he has given as to the facts;—with regard to giving a final opinion as to the amount of any defalcation, I should rather not do so at present, as the accounts have been kept in so irregular a manner that it may turn out that the officers can account for several of the sums which appear to be deficient although they are not entered on the great Books of the Company.

[Witness Withdrew.]

Honorable John Macaulay *called in and examined.*

[By Committee.]

690. State what information you can give the Committee upon the subject of the £7,500 entrusted to you as a Commissioner (with Messrs. Robinson and Shade) to expend on the Welland Canal, in 1832 or 33?---I know nothing of the accounts or the expenditure of the money---the whole was placed in Mr. Robinson's hands, who consented to attend to the matters entrusted to the Commissioners---I supposed the accounts would have been regularly laid before the Legislature the same Session we made our report.

[Witness withdrew.]

Mr. Clark *again called*

[By Mr. Mackenzie.]

691. Mr. Robinson states that $233 of his expenditure in 1833, was for work which ought to have been performed by the lessees of mills, and to have been collected from them, and his letter now shown to you, dated 25th October, 1833, and addressed to you, requires that they should be so collected; $58 08 is for Marshville mill floom; $150 for stopping water at Bowery and Butler's mills, and $25 for floom-breaking at Allanburgh mills. Why have you not charged these sums to the parties?---The payments made out of tolls in 1834, for detention of vessels, was authorised by the following order of the Board, passed 15th October, 1833:—

"The subject of an application from sundry captains and ship "owners for relief on account of detention in the Canal from the "break at the Culvert and mill lock being reconsidered

"*Resolved.* That all those concerned be informed that they "will be allowed one cargo free from charge of toll next year to "the amount paid in by them at the time of the detention."

The several collectors received credit on their returns, 1834, for the amount so allowed.

692. I think that upwards of £100 are charged for detention of vessels in 1834, for which the accountant said he would look for the vouchers. Have you found them?—It appears by the minutes that those claims were submitted to the Board, 21st Oct., 1833, and were then deferred. They were again laid before the Board on the 15th Nov. following, and were laid over for information from Mr. Farnsworth the Commissioners' superintendant, after which no further proceeding appears to be had upon them.

MONDAY, *March* 28th, 1836.

Committee met.

PRESENT:

JAMES EDWARD SMALL, Esquire, *Chairman.*

Messieurs Chisholm,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—7.

GEORGE KEEFER, JUNIOR, ESQUIRE, *Civil Engineer, called in and examined.*

[BY MR. MERRITT.]

693. Mr. Mackenzie states that Samuel Keefer was employed in April, to measure Boyle & Bradley's contract and made.....3,369 yd's, afterwards Mr. Barrett was employed and made..... 2,921 " have you heard or do you know how this difference took place?—Samuel Keefer made his estimate from the supposed quantity of earth required to be excavated as pointed out to him by the contractor. It was, however, found necessary (as is often the case) to make some alteration in the work, which reduced the estimate of excavation; on the work being done, Mr. Barrett was sent up to take the measurement of what had actually been done; which accounts for the difference stated.

694. He also states I acted in conjunction with the Commissioners in their proceedings, and as proof, produces my signature on Hands & Co.'s account *examined and found correct*, £137 7 9. Will you state the reason of my signature appearing on this and other accounts in the Spring of that year?—Many contracts were entered into by the Company the Fall previous to Mr. Robinson taking charge of the work. The item of £137 7 9 relates to a contract with Hands & Co., which Mr. Robinson refused to pay without being certified by you.

695. What is your opinion respecting the slides in the Deep Cut, do you think they were occasioned by the earth having been placed too near the bank?—From the nature of the bottom soil of the Deep Cut, I am convinced that no effectual remedy could be adopted to avoid slips. In all cases where they have as yet occurred, it has not been from the pressure of earth on the bank, but owing to the nature of the quick-sand in the bottom, being too soft to sustain the natural bank, the perpendicular pressure of which forces up the bottom of the Canal. I would further observe, that where the bottom is good stiff clay, there have been no slips, although in the deepest cutting, where there is, consequently, the greatest pressure of earth.

296. Mr. Mackenzie asserts that Deeds are missing and not made out—will you state the cause they are not all made out, and the system intended to be adopted by the Board, relating to all land matters?—There was an order of the Board, that I should be employed to make out a survey and description of all lands belonging to the Company, on the line of the Canal, and enter them in a book, the survey was commenced accordingly, but from my being frequently called off to attend to other business of the Company, it has not yet been completed, for which reason many Deeds have not yet been given. You will see by the book of plans, the system I have adopted, wherein all the surveys which have yet been made, are entered, and where the whole are intended to be.

697. What do you know with respect to the estimate of November, 1832, being missing; has any injury arisen from it to the Company?—The estimate comprising all the work done on the Gravelly Bay route, was closed in November, 1832, stating all the particulars in detail, which estimate, was duly signed by myself, as Engineer, examined by the Secretary and approved of by the Board, but I can in no way account for its absence from the office. I do not recollect to have seen it since the settlement with Garrison & Little; the copy which appears in the book of estimates, I believe to be correct, as far as it goes, but it does not contain work done by Donaldson, and extras allowed Garrison & Little, although shewn in the abstract; the reason, I think, was this: After making up the estimate, it was kept open for some time to give Donaldson (who was employed with a company of men to remove all the bars, to finish the work which contractors neglected to do, and to prepare the Canal for the Spring navigation,) an opportunity to bring in his bills, and, I think, this work, together with the extras allowed Garrison & Little, was approved of by the Board, separately, this, also, in my opinion, accounts for the sum not having been mentioned in the minutes of the Board. I remember, perfectly well, that I made up these accounts, after making up the estimate, and that they were approved of by the Board, and, knowing this to be the case, I attached these additional items to the copy of the general estimate alluded to.

698. Mr. Mackenzie asserts that the method of entering the estimates, was discontinued after Mr. Wenham left; will you shew the Committee the manner in which they were kept?—The system first adopted, has been kept up, as I will shew by the books.

699. We have been accused of want of system, regularity, sufficient checks, &c. &c. &c.; will you relate to the Committee, minutely, the system on which returns were made, and the work paid for?—The system adopted by David Thomas and Mr. Barrett was the same as on the Erie Canal, as I understood:

1st.—After the line was run and the levels taken and proved and a computation made of the contents from tables prepared with great labor for that purpose, the ground was laid out into sections.

2nd.—After being so laid out, the number of yards computed, and the estimate of its value, in the Engineer's opinion, it was submitted to the Board of Directors and public notice given for tenders on each section on a given day.

3rd.—Those proposals were opened by the Engineer, in presence of the Board, and after computing the value of every description of work for which tenders were made, the name of the lowest bidder was given in, and the Directors on consultation, with the Engineer, gave out the contract to the lowest, and best, according to their judgment.

4th. A contract was then made out for the execution of the work according to the number of yards then exhibited by the Engineer, for the correctness of which the contractor was to be satisfied.

5th. Every month or two during the operation of the work or whenever an estimate was made a level was again run and an estimate made of the number of yards remaining in, retaining the balance so as to be certain on the last estimate that too great a number of yards had not been returned which was the only danger to be apprehended from the constant importunity of the contractors, to return them as much as possible. It, however, occurred on many occasions, from unforseen circumstances, to return extra work, which was allowed by the Board, if it appeared necessary and just.

6th.—After the estimate was made out by the Engineer, the Agent examined it with a view of ascertaining that the work had actually been done at the different places, there returned, and signed the estimate, then the Secretary examined the calculations and also signed it, when it was presented to the Board and approved. Notwithstanding all this precaution, errors have and will, in my opinion, always occur on this or any other work of equal magnitude.

7th.- -On those estimates, the different contractors were paid.

700. Mr. Hall's answer to question 225, admits, the contractors who had been employed on Deep Cut were the best judges of the probable value of the work, but, in his answer to question 227, thinks contracts should not be varied, unless in extreme cases. Has a contract on the Canal ever been varied, except in extreme cases, to your knowledge ?—I do not know of an instance where a contract has been varied, except when it was absolutely necessary.

701. What was the price paid Messrs. Hovey & Ward, on an average, for the depth they excavated the Deep Cut ?—$21\frac{54}{100}$ cents per cubic yard.

702. What was the actual price paid Mr. Phelps, per yard, including all advances for the bottom cutting in Deep Cut ?—34 cents.

703. What is the average addition as you descend in deep cutting?—1 cent per yard to each foot, descending below 10 feet, is considered as a fair allowance in deep cutting.

704. What would the average price per yard be, on the Deep Cut from 17 feet downwards, allowing 15 cents for the 1st 10 feet, and one additional cent for each foot descending, and in the same ratio, what would it be at 18 cents ?—The price at 15 cents per yard, would average $35\frac{3}{10}$ per yard, and if 18 cents were allowed, the proportion would be $38\frac{3}{10}$ cents.

705. In answer to question 352, Mr. Newlove states, he never was paid for roads on Deep Cut; by reference to settlement of Committee in 1832, does that appear to be the case?—By referring to the set tlement on claims, in 1832, it will be seen that his was submitted and settled by a Committee, consisting of Messrs. Randal, Lefferty and McDonell, and that he was allowed for cutting roads.

706. Question 350 and 351, appear to have been put with a view of shewing, that more was allowed on section 13 than on 10 and 11, and that the bottom width of that section was 30 feet. Will you explain to the Committee, what was the actual width of the bottom of Canal, and why a greater price was allowed on section 13 ?—The whole of the new line was laid out 26 feet bottom, but part of the sections were afterwards reduced to 20 feet, except 8, 9, 10 and 11—the cutting on section 13, was 9 feet $\frac{30}{100}$ and that of 10 and 11 about $8\frac{1}{4}$ feet, no springs, principally muck and favorable cutting.

707. Mr. Newlove, in answer to question 348, states, there was no more difficulty in finishing section No. 13, than 10 and 11 of the Gravelly Bay route; will you state to the Committee your opinion on this subject ?—Section 13 was the most difficult job on the whole of this route, to finish, on account of the number of springs to conteud with, and the great difficulty of drainage. Besides, the excavation was of the hardest description. Donaldson finished this job after Galbraith and Upper left.

708. Mr. Hall states, in answer to question 86, that in short levels, it is almost impossible to keep levels up, where a saw mill is situated. Are there any saw mills situated on these short levels ?—It is admitted that saw mills on short levels will draw down the water, and to avoid this inconvenience the Company have not allowed any to be so built except two at Thorold and these are so constructed by a flume and race way as not to allow the water to be drawn below its natural head.

709. Mr. Hall in answer to question No. 90, states that he observed detention on Partridges level, is that not one of the largest on the lower part of the line excepting Port Dalhousie ?—Partridge's and all the other saw-mills are on the long level.

710. Mr. Hall states in answer to question 132 he thinks Mr. Barrett's estimate of locks correct—Did Mr. Barrett accept of those Locks, and how many ever broke under the mitre sill on the line of Canal before Mr. Hall's arrival—he states in answer to question 133. One since his arrival ?—Mr. Barrett did accept of those Locks, and the only ones that have broken under the mitre sill, are Locks No. 19 and 20—one before Mr. Hall's arrival and one since.

711. Do vou know of any injury arising to the Canal in any way in consequence of Directors being concerned in mills. Or have I as yet made use of any water of the Canal for that purpose ?—I do not, On the contrary I am certain the Canal will be benefited thereby as well as the Stockholders, the country generally, it is quite obvious that the more mills and machinery you have, the more business will be done by bringing vessels into the Canal to convey the produce to market—as it regards yourself, I know that you are building a flouring mill at St. Catharines and have an interest in another at Port Colborne, neither of which has as yet used any water from the Canal.

712. Will you give the Committee your opinion respecting the relative advantages of the two routes from Mountain to Port Dalhousie, by valley of Dick's Creek and the one named by Mr. Hall ?—I was not employed as an Engineer at the time the route through the valley of Dick's Creek was decided on but I believe all the Engineers who examined this route were decidedly in favor of its being the best and cheapest—The following extract from Mr. Barrett's report, will shew his opinion on this subjeet.

" Whereas in embracing the valley of Dicks Creek and the 12 you have a fine specious canal, which will in a great measure prevent that obstruction to the navigation which would necessarily occur in a canal

of more limited dimensions where so great a quantity of water must be drawn through to supply the different lifts and the extensive Hydraulic privileges which are evidently far superior to those on any canal of the above dimensions"—

Objections have been made by some Engineers against the propriety of carrying canals through valleys instead of keeping on table land—on account of their liability to injury from freshets, thereby endangering the Locks and embankments, but experience has proved that less expense in repairs from this cause has been incurred in that part of the canal from St. Catharines to Port Dalhousie than from St. Catharines upwards to the mountain—and this is to be attributed to the wide and extensive basins and waste wiers which gives the water an opportunity of discharging itself without doing injury.

As regards the route named by Mr. Hall, I am well acquainted with the face of the country through which it would pass but am not prepared with any estimate to shew the difference of expense between this and the former Route, there is a wide difference in the expense between making a canal in a valley where little else is required than placing in the Lock and waste wier & making a tow-path; and that of taking it over table land through entire cutting, besides the shortness of the levels, would prevent the erection of machinery which gives a decided advantage in favor of the present route—All these things were doubtless duly weighed in the minds of the Board of Directors at the time, founded on the opinion and reports of the engineers who were as a matter of course led to adopt the cheapest and best route.

713. What did the Steamer Sir Walter Scott cost including the engine—do you think with the apparatus for dredging we had on hand it would have been the interest of the Welland Canal Company to purchase her—and could she have been made to answer the purpose at a moderate expense?—Her expense including repairs &c. was upwards of £1500 and I think, with a moderate expenditure, she might have been converted into a good steam dredge—the machinery is good, and by giving more strength to the Boat, would answer that purpose, in my opinion, better than any one they could have got for that price.

714. Which Locks have been most expensive in repairing—from Phelps' up to bottom of Mountain or below—or has there been any comparison in the relative expense?—There has been less expense incurred in those Locks from Centreville to Port Dal housie, than from that place upwards to the mountain.

715. A charge of general mismanagement having been made by Mr. Mackenzie, and particularly alluding to my conduct, will you state to the Committee generally how long you have been on the canal—your opportunity of witnessing my conduct and judging of motives towards the Company, Contractors, Engineers, and others—and state any and every occurrence wherein I have not acted as you may have conceived for the best interest of the Company in making advances, or any other matter?—I was first employed as Secretary as early as 1824 to be under the sole control of the agent in copying letters and documents on the first formation of the Canal, and the order I conceive alluded to by Mr. Mackenzie related wholly to me at that time. From 1828 to 1832 I was employed as assistant Engineer under Mr. Barrett, from that time as principal when required, there not being at all times employment for an engineer since the canal was finished. With respect to the other general questions, I have been frequently with you and Mr. Barrett on all parts of the Canal in shanties at night with contractors and others; on all such occasions the conversation had been directed by you to the best manner to execute different parts of the work and facilitate operations by consulting with engineers, mechanics, contractors, and others; I never knew an instance of your attempting to influence the engineer—on the contrary, in advising on any subject you have held out that they only were responsible, and you would be guided by their judgment. We have always considered you rigid towards contractors so far as regards their prosecuting the work, but never interfering in any way respecting the estimates or amounts paid after contracts were made. When short of money and advances became neeessary to different contractors they were invariably made after a consultation, with a view to forward the work remaining to be done—the contracts were generally taken at too low a price, but every thing was settled up amicably and with good feeling—all claims were left to a Committee in May 1832 for an equitable settlement, and Mr. Thomson and Newlove, are I think the only ones not adjusted. As it regards the charge of partiality in all matters which have come under my observation, I can say that I never knew you influenced by motives of the kind, and I believe you have always been influenced by a wish to deal fairly and honorably to all classes engaged on the canal, and as for general execution and management, the work itself is the best witness.

716. Mr. Mackenzie asserts that an attempt was made to get an order of the Board that Thomas Merritt be paid the balance of his account?—Was that the case?—I was present at the Board when the discussion took place, and recollect perfectly that it was merely to get the estimate made by Mr. Hall and myself passed.

717. Was the work taken away from Lewis, Garrison & Little at Gravelly Bay without their consent, or did they relinquish it from their inability to finish it?—They relinquished it willingly from their inability to finish it.

718. Under what circumstances was the Harbor let to Thomas Merritt and others at Gravelly Bay?—I remember that a committee of the Board was held at Gravelly Bay in September 1832, (at which I was present) to take into consideration the backward state of the work—it will be seen by the minutes of the Board that Thomas Merritt and Lewis gave in the lowest proposals, and the work was relet to them—the name of Sloan and Clinton was left blank for this reason they had been employed at a simlar work at Black Rock, and were well furnished with scows &c. to carry it on—Mr. Merritt was anxious to encourage them, and left the day after for Buffalo for that purpose We had great difficulty at the time to procure contractors.

719. Was it usual as Mr. Mackenzie states to place the Company's seal to contracts or not?—It was not—I recollect no instance except in the large contracts made the first year, when land was involved.

720. Mr. Mackenzie asserts I signed Thomas Merritt's contract as Secretary to the Welland Canal Company in opposition to an order of the Board—is that true?—The minutes of the Board will shew that you were particularly authorised to sign that contract, as it was at a special meeting of the Board held at Gravelly Bay as alluded to before for the express purpose of forwarding that work. The order of the Board alluded to the time Mr. Merritt was absent in England, and does apply.

751. Did you ever inform Mr. Mackenzie as he asserts that Thomas Merritt & Co. failed in their contract like their predecessors—that they were dispossessed, and the whole again re-let to Thomas Merrit? He also states that before the completion of the contract the lock was ordered to be lengthened by the same contract at day labor, and before the work was taken off his hands—is this true?—He may have drawn that inference, but I certainly never told him that Thomas Merritt failed in his contract, for the contrary was the fact. The lock was finished in the spring of 1833, and accepted, and was not lengthened till the spring of 1835.

722. Mr. Mackenzie states, Ostrum and others signed a certificate of 1200 feet pier timber being lost, which you afterwards discover to be only 400 feet—how did it occur?—Ostrum measured all the timber which was displaced at the time, a portion of which was recovered, brought back, and replaced; I only measured the new timber which was procured to fill the space, consequently no deception was attempted, and no claim made for the additional quantity.

723. Is there any similarity between the risque of ordinary canal work and making piers in an open lake as at Gravelly Bay?—Not the least, the one being secured by land, the other exposed to the open lake.

724. It is stated as a charge of favoritism that in 1833 Thomas Merritt was one time contractor, lock keeper at $20 per month, concerned in building light house, and employing hands by day labor---was not the lock placed under charge of Thos. Merritt more as an object of security than profit?---Yes---he was requested to take charge of the lock at that time as no responsible person could be got, and in a work of that nature he could always turn his men to day labor advantageously when the weather would not permit him to work on the piers---he must have paid the same price he got, as no person could be hired for less than $20 per month.

725. What part had Thomas Merritt in building the light-house, and why was he so employed?---Furnishing stone and filling in the cribs, and furnishing a part of the timber, and because having scows, &c. he could furnish materials cheaper than any other person, and having suitable timber was enabled to furnish it at a cheaper rate than McChesney could do.

726. Was the same price paid for filling the piers? Did you ever hear of a less price for similar work? What was the lowest price per cord at Port Dalhousie?----The price for filling the piers was $2----I never heard of a lower price for similar work---the price paid at Port Dalhousie was $4 per cord.

727. What price was paid per cord for filling in piers at Grand River by Mr. Hall?---I think 17s. 6d,

728. Do you think the deductions recommended by the committee on Thomas Merritt's account to be just?---I do not.

"The final estimate" to Thos. Merritt, is only 38,880 yards instead of 40,472, as stated in the Report of the Committee.—See Estimate Book, p. 4., as follows:

	Yds.	*Yds.*
Original yards on Sec. No. 9. - - - - - -	21,988	
Deduct done by Monson, - - - - - - - -	165	21,823
Original yards on Sec. No. 8. - - - - - -	18,484	
Deduct done by Monson, - - - - - - - -	2,372	16,112
Cut extra width for embankment - - - -		945
Total as above, - - - - - -		38,880

There is a difference of 6,103 yards between the two estimates made on sections 8 and 9---the former was taken before the proof level was run (which could not be correctly done until the marsh was frosen up) the cutting proved to be deeper than was first calculated.

Although Monson was estimated and paid for 4780 yards on sections 8 and 9. Thomas Merritt only received the benefit of 2537 yards; this was occasioned by the manner in which the work was done, being cut full of holes here and there, filled up with muck, and a great portion cut out of line altogether—Mr. Barrett and myself made the estimate previous to its being taken by Thomas Merritt and the actual quantity was no more than here stated—it would therefore be unjust to deduct this amount when he actually did the work—

I am certain Mr. Barrett will corroborate this statement.

The reserve was allowed by the Board upon the same principle that Mr. Thompson and Donaldson were allowed, and if Thomas Merritt had an increased price, it was not the less just, as there is always a disadvantage in taking a second Contract on the same job, owing to the manner in which the work is cut up, and the top part only removed---no person will take a job which has been abandoned at the same price it was first let for, and any person acquainted with the situation of these sections at the time they were re-let to Thomas Merritt must know they were entirely overflown with water and the prosecution of the work attended with additional expense owing to the great difficulty of drainage.

As it regards the 266 yards "additional dredging" done in July 1833, I always conceived that he had a right to be paid for this over and above the original estimate of Dredging, as it was widening the cut beyond the piers to afford a more safe and easy entrance for vessels.

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729. Mr. Mackenzie asserts that his suspicion first arose from your returning 15 cents instead of 14 on Berm contract; will you state to the committee how that occurred, and whether he or myself first discovered it?—It was yourself first called my attention to the mistake in the estimate of Thomas Merritt's Berm bank which I had returned at 15 cents instead of 14. You also sent me for the contract to make the comparison; the mistake occurred in the following manner,—Thomas Merritt had two different pieces of work in the same contract; one for excavating a basin at Gravelly Bay, which was at 15 cts. per yard, and the other for the Berm bank at 14 cts. —seeing the former price I thought it applied to both —but any person conversant with the routine of the transactions of the office must be quite satisfied the mistake would have been corrected in settling the account, even had it escaped the notice of the Board, as this return was merely an advance—this matter was satisfactorily explained to the Board at the time.

730. What was the lowest proposal received for the Berm bank in 1834—who from—and the next

lowest and who from—and what saving has occurred to the Company by accepting the last?

14 cents from Thomas Merritt.
16 " " John Aikins.

There was	33,892—16 cts.—Aikins, - -	$5422 62
"	33,892—14 " —T. Merritt,	4744 88
Leaves a saving to the Company of - - -		$ 677 74

731. Did I not give you particular orders to examine this work and all the other embankments (as well as the superintendents) with great care, and for what reason?—You did, and I conveyed the same instructions to Rose, to Thomas Merritt, and Mr. St. John—I also requested Mr. Thompson to keep an eye to the work, and if any logs were found in the bank to acquaint me of it. The reason of this caution was the extreme difficulty in getting clear of the logs and stumps which had been thrown directly in the line by former contractors, and a great part of the work being covered with water, which required unusual caution.

732. It appears from Mr. Hall, in answer to question 54, that he only saw 3 or 4 logs after the water was off. Mr. Norton, in answer to question 309 states he saw a number of logs and stumps in the embankment made by Thomas Merritt near Dunnville in 1834—also in answer to question 315 he states he saw Rose at work on Thomas Merritt's job, which confirms him in that opinion, and that the cause was to get extra measurement. Mr. Lee, in answer to question No. 326 says he saw those logs in 1835 before and after the water was in—on the contrary Mr. Dew says the cause of getting Thomas Merrit was he would have a preference in obtaining the work—never saw logs. As Mr. Mackenzie appears to attach much importance to this contract, and involve in it great mystery, will you explain to the committee whether Mr. Norton may not be mistaken with regard to Thomas Merritt's Berm contract, both as regards logs and measurement?—I think he was, for the following reason—Thomas Merritt had no work or contract there in 1834—he commenced his contract in the spring of 1835.

Rose finished a contract of embankment below Dunnville in 1834, and if Mr. Norton saw logs or stumps, it must have been in that. It was finished, well done, and accepted by me—it has withstood a head of nearly eight feet water for two years, and this is the first time I ever heard of logs or stumps having been put into this bank, although I inspected it frequently during its progress; it was made across a deep ravine, and great difficulty occurred in removing logs, &c., but if any remain in they were not to be seen, and no injury whatever has arose from them. The earth to make this embankment had to be carried in scows—the water being from 8 to 11 feet deep, and with regard to measurement, if Rose told Mr. Norton so silly a tale he must have known that no contractor can by possibility deceive an Engineer in measurement, the levels being taken and contents computed before contracts are made, and the Engineer being wholly responsible for his levels and measurements can scarcely be supposed to make a false return to benefit a contractor at the expense of the Company who employed him; if so, he must be doubly dishonest.

733. Have you any doubt that the contract will be completed, and do you think that the Company will be injured in any way or shape—or do you think the contractor will be benefitted?—I have none; I do not think the Company will sustain the least injury—on the contrary they are *gainers*. I think the contractor will be a *loser*—it was a most difficult job, having all the timber placed on it from the canal in addition to the natural growth was very wet, a great part covered with deep water.

734. Will you give your opinion respecting the removal of the dam from where it was first located and commenced, at the mouth of the Grand River, and the cause of its being so removed?—After contracts were entered into for building the dam at the mouth of the Grand River, and about $1500 expended, Commodore Barry gave orders that the proceedings should be stopped, and that the dam should not be built within five miles of the river mouth. I never heard that Mr. Boulton had any thing to do with this transaction; nor that he in any way attempted to influence the Board.

735. Is there a situation in which a dam can be built between the mouth of the Grand River and where the dam is now built at any reasonable expense?—There is not.

[Witness withdrew.]

Mr. Clark *again called.*

[By Mr. Merritt.]

736. Mr. Mackenzie alludes to the injury inflicted on Mr. Woodruff and Mr. McMicking by granting a mill privilege to Mr. Keefer in 1825—what was the state of the Niagara district with regard to those establishments prior to that period?—The price of wheat was governed by the price given by the frontier mill owners—Messrs. Clark and Street, Woodruff, and McMicking. In the dry seasons of the year many of the inhabitants at a distance had to resort to those mills for their grinding.

737. As a general question will you describe the duties of the Board as well as my individual duties on the canal when Agent of the Company and since my being President?—The duty of the Board of Directors is at their monthly meetings to examine and determine on all matters brought before them—to examine estimates of work and all other accounts—and make such orders thereupon as they think necessary. As the Agent of the Company you superintend all matters relating to the work and management of the canal, and to submit all matters for the information of the Board relating to the same; as President of the Company you of course preside at all meetings of the Board.

In no instance to my knowledge have you interfered in the duties of the office as relates to the books and accounts—on Mr. Black leaving the office in June 1832, agreeably to an order of the Board—you did the duty of Secretary in so far as countersigning drafts—at a meeting of the Board in Toronto in November the accounts were submitted in proper form

to be presented to the Legislature then in session;—under an Act of the Parliament it was required the Secretary should certify upon oath to the correctness of the accounts—you then declined doing so—stating that you had not the making up of the accounts.

738. Mr. Hall states in answer to question 142 that Mr. Merritt ordered Mr. Beaton to continue to write in the office independent of you as Secretary—will you relate to the committee what was the conversation in occurrence to which he alludes? —I never stated that you directed Mr. Beaton to write in the office independent of me as Secretary—I am not aware such was the case. In June 1834 the Board authorised an assisiant in the office—I offered the situation to Mr. Beaton, which he then declined—I then employed Mr. Raincock, who continued in the office until September following. You frequently signified to me your impression that Mr. Raincock was not competent to the duties required. I felt averse to your opinion, and desired to keep Mr. Raincock, but he declined remaining, when I immediately requested Mr. Beaton to take the situation, which he did, and I believe the Board of Directors were unanimous in opinion that he should be employed—and if I have ever stated to Mr. Hall or any other person that I had an objection to Mr. Beaton being employed, it only arose from my desire to retain Mr. Raincock.

739. Mr. Newlove, in answer to question No. 7, says Mr. Black had charged against him in the books of account 4 or $500 more than he received—that you told him of it and sent for Mr. Black, who came down and rectified the mistake the same day?—Have you any recollection of the circumstance, or have you made any charge against Mr. Black to that amount, and must you not have done so had the circumstance taken place as related by Mr. Newlove? —I have no recollection of this circumstance,had it taken placeI must have made a charge against Mr.Black for the amount which I do not find in the accounts.

740. Mr. Mackenzie states that in addition to $10-000 paid to Mr. Yates, Captain Creighton had £180 —£164 14s. and £97 4s. 9d. and in consequence of such loan the debtors of the Company were injured; also that I was a forwarder of goods;—will you explain this transaction?—In 1833 an order of the Board authorises the collectors of tolls to credit persons (to whom the Company were indebted,) with the tolls on what property they may pass through the canal—the amount to be returned to the office by the Collectors and debited the individuals. You were at this time a creditor of the Company, and was a shareholder in some two or three schooners then navigating the Canal, and was in some instances debited with the tolls on the cargoes of those vessels in like manner with other individuals to whom the Company were indebted. The sum of £97 4s. 9d. was paid to Captain Creighton by the toll Collector, he being authorised to receive the same as treasurer. I loaned Captain Creighton £100 on your becoming responsible to me for its re-payment. The sum of £164 14s. I loaned to Captain Creighton on my own responsibility—a loan to Mr. Butler of £50 and R. E. Burns of £175 was on your accountability to me. The whole of those sums have been re-paid with interest and without loss to the Company.

741. What was the cause of Thomas Merritt not being charged £200 paid by Mr. Robinson?—In consequence of not having received Mr. Robinson's accounts—this £200 can yet be charged with the interest to Thomas Merritt, without loss to the Company.

742. Who were the sureties for his contract on Berm Bank?—Hiram Slate of Gravelly Bay, merchant, and John L. Burns of St. Catharines, merchant, both considered responsible men.

743. Who gave in the lowest proposal for that work?—Proposals for the Berm Bank were received and submitted to the Board from John Aikins and Thos. Merritt, Jr. John Aikins proposed at 16 cents per yard for excavation, and Thomas Merritt at 14 cents per yard. The President was authorised to accept the lowest offer—and the contract was in consequence entered into with Thomas Merritt.

744. What was the reason assigned for making deductions for rent of water to the Hydraulic Company and other mill owners?—The cause for making deductions for rent of water power arises in all instances from drawing off the water to repair the canal.

[Witness Withdrew.]

WEDNESDAY, 30*th March*, 1836.

Committee met.

JAMES E. SMALL, ESQ. *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver,
Thorburn.—S.

CALEB HOPKINS, ESQUIRE, M. P., *called in and examined.*

[BY MR. MERRITT.]

745. Were you one of the committee of the House of Assembly in 1830 to examine the books, accounts, and affairs of the Welland Canal Company—were the books then brought over by Mr. Black the Secretary—were the accounts and vouchers then exhibited as mentioned in your report and statement as they now stand on the Journals?—I was a member of a committee appointed for that purpose in 1830, but I have no recollection of the particular circumstances relative to that investigation—I refer the committee to our report as appears in the Journals of the House for that year which gives every explanation.

[BY MR. MACKENZIE.]

746. When the Committee of 1830, of which Dr. Blacklock was Chairman, examined the books shewn to them, had they an opportunity, or did they take the time and pains to examine papers and documents thoroughly, which an individual having leisure in the recess and access to every book and paper of the Corporation, would have done?—I do not think they had the opportunity of so thoroughly investigating the affairs of that Company as a person might have who is capable of so doing, and having such privileges, and devoting his entire attention thereto.

[By Mr. Merritt.]

747. Although the Committee had not the leisure to examine the books and accounts of the Company as carefully as if an individual was for months examining them; were not the books of the Company with all the vouchers and accounts, presented to the Committee at the time by the Secretary, Mr. Black, who was then present to give any explanation, and after the investigation of the accounts, did you not come to the following conclusion:—

"Charges of mismanagement having been publicly made against "individuals connected with the Company, among others by Mr. "Gordon, once the Treasurer, and relative of Mr. Merritt; and "by Mr. Clowes, formerly an Engineer on the canal; your com- "mittee were more strict and careful in their examination of the "books and accounts of the Company than they otherwise might "have been; but although they met with occasional charges "against the Company, perhaps not so moderate as would have "been willingly paid by a private individual; and although the "transaction in the books embrace an expenditure of a million of "dollars and upwards—*they saw very little indeed to censure*"?—

The particulars of the investigation referred to in the question, at this distant period, I cannot call to my recollection—but the principles contained in the report there can be no doubt I thought true at the time, otherwise I should not have sanctioned them by placing my signature to the same.

748. Do you believe that a committee, at the period when you were one in 1830, (who were composed of members, one of whom was from the Niagara District,—and when the witnesses had every thing fresh in thir memory,) were as likely to arrive at the truth, as at this time, six years after, when many circumstances must naturally have gone into oblivion—If the enquiry had at that time been as particular and as much in detail as at the present—I certainly think they would have been more likely to have arrived at the truth then than at this remote period.

(Witness withdrew.)

Wednesday, 30*th March*, 1836.

Committee met.

PRESENT.

James E. Small, Esq. *Chairman.*

Messieurs, Chisholm,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn.—7.

Mr. Merritt in behalf of the Directors and officers of the Welland Canal Company, submitted the following observations to the Committee as evidence upon the respective charges, brought against the said Officers and Directors, by Mr. Mackenzie, which were read by the Clerk and are as follows:

WITH RESPECT TO CHARGE No. 21.

Mr. Mackenzie asserts that Mr. Samuel Keefer made an error, this he adduces to draw unfavorable inferences, to destroy confidence in the estimate of the engineers—unsupported by a shadow of proof, he infers it without knowing the state of the ground when first measured—or whether the contractors did not excavate short of original boundaries—whether it was not varied, or misrepresented.

I recollect the circumstance well, and from knowing they had not taken out the original quantity, induced Mr. Robinson to send up Mr. Barrett to measure the actual quantity excavated, Mr. Samuel Keefer would have been sent, but was absent on the St. Lawrence Canal at the time— it was a simple measurement which any contractor could have calculated.

His allusion to my signature relates wholly to the work done under my direction prior to Mr. Robinson having taken charge of the repairs.

With respect to Mr. Robinson's accounts generally, I have only to remark that Mr. Robinson came over to St. Catharines to offer any explanation required—that Mr. Keefer assured him he would thoroughly examine those accounts—make out a report —send it to the Secretary who should furnish him [Mr. R.] with a copy of it, and give him time to correct any part of it—in consequence of which a resolution was moved by Mr. Thorburn, 8th October (see minutes to that effect.) Mr. Mackenzie left the accounts unfinished neglected to send the report, and is alone censurable for not having then settled, as shewn by minutes of 6th January as follow:

Extract from the Minutes of the Board of Directors of the Welland Canal Company, January 6, 1836.

PRESENT.

William Hamilton Merritt, Esq. *President.*

Ogden Creighton,
Thomas Butler,
David Thorburn. } Esqrs. Directors.

Whereas William L, Mackenzie, Esq. one of the Directors of this Board, did under an order of this Board undertake to send a copy of a report on the accounts of William B. Robinson, Esq. made out by him to the Secretary of this Board in order to transmit the same to Mr. Robinson with a view of having the same entered on our books, prior to the accounts of tho present year being laid before the Legislature.

And whereas the said William L. Mackenzie has neglected or refused to transmit the same.

Ordered.

That the true cause of those accounts not having been submitted to Mr. Robinson to give him an opportunity to investigate the same—be entered on the minutes.

Extract from Minutes of Board 8th October, 1835.

PRESENT.

W. H. Merritt, Esq. *President.*
A. McDonell, Esq. *Vice President.*

Thomas Butler,
W. L. Mackenzie,
Ogden Creighton, &
David Thorburn. } Esqrs. Directors.

Folio 353 Mr. Thorburn moved—That a copy of Mr. Mackenzie's report made at the request of the Government Directors relative to Mr. Robinson's ac-

counts, be sent to Mr. Robinson by the Secretary for his observations thereon.

MEMORANDUM.—The Secretary never received this Report.

CHARGE 19.

Mr. Mackenzie's proof that George Keefer Esq. was interested in a contract is taken from an allusion to Mr. Gordon's letter dated 28th April, 1826,—although the sub-contract with Phelps was in 1826 and 1827 after the date of Mr. Gordon's letter.

On enquiry it will be found Mr. Keefer had no interest whatever in Phelps contract—he only furnished him with timber the same as furnishing him with any other material, and Phelps contract was for a given price per Lock. Phelps' evidence corroborated this statement the timber being returned in any one month for a greater or less price could not affect the contract, of Oliver Phelps who was paid for the at a given price for each; [in Mr. Keefers' answer to question 786.]

CHARGE 13.

Is designed to shew that I have acted partially in the distribution of contracts and that some of those contracts have been iniquitously performed.

Mr. Mackenzie's proof for this assertion is, that I was appointed Secretary in June 1832, after the retirement of Mr. Black and contracted officially as such with Thomas Merritt Junior, for the Harbor at Gravelly Bay in September of that year.

This assertion was made hitherto with a view of inducing the public to believe, *and now the Committee*, that my office as Secretary at that time after Mr. Black placed the books, accounts and money under my control—The same Board which appointod me Secretary (see resolution of Board of October 7th 1831) for the sole purpose of countersigning papers, as appears by the resolution above quoted.

Mr. Clark was appointed to the situation of bookkeeper 4th November 1831, see resolution in minutes of that date, which shews that neither of those appointments were to take place, until after Mr. Black resigned when Mr. Clark was to assume the situation of accountant.

On November 19th 1832, the following order passed the Board(see, minutes of that date)which I allude to, to shew it became necessary for the accountant to be made Secretary to comply with the provision of of the act, to testify to the accounts—in consequence of which the name was transferred from Mr. Merritt to Mr. Clark, who in reality did all the duty except signing bills of exchange &c. &c. as proved by answer to question 737—the minutes of the Board also confirm the above as it shews the security was actually entered into, and exists to this day. Mr. Hincks evidence also confirms the above, see his answer to question 374—consequently there is not the slightest grounds for the support of this assertion.

With respect to the report, on the 31st day of August an estimate was submitted shewing a detailed statement of all the work on piers, harbor &c., which was certified to after a minute examination by Messrs. Keefer and Hall, but as Mr. Mackenzie objected to the confirmation of this estimate as was usual in every other case for the last 12 years, it was laid over and the following minutes passed theron..

Extract from the minutes of the Board 31st August 1835.

" PRESENT.

W. H. MERRITT, ESQ. *President.*
A. MCDONNELL, ESQ. *Vice President.*

W. L. Mackenzie, David Thorburn, Thomas Butler, and Ogden Creighton. } Directors.

Resolved, That the Engineer having reported that the Contract between T. Merritt, Sloan and Lewis, and the Canal Company is fulfilled, it be accepted by this Board as finished.

September, 2nd 1835.

The Engineers estimate was submitted and the examination of the same deferred until Saturday next, to be referred to a committee composed of Messrs. Mackenzie, Thorburn and Butler."

I wish the committee to understand that no attempt was made to get the balance of Thomas Merritt's account passed at the time, and that the passage of this estimate at that time which has since been confirmed, could have made no alteration or difference in the amount, or balance to be paid him, as proved by Mr. Keefer in answer to question No. 716.

In pursuance of the last resolution in No. 8, Mr. Mackenzie examined all accounts relating to Thomas Merritt, from the commencement of his work on the Canal, and made out his report which was signed by Messrs. Butler and Thorburn and presented to the Board 8th October 1835.

"*8th October*, 1835.

The select Committee on the accounts of Thomas Merritt Junior, presented their report which was read.

Resolved, That the report be received and laid over for future consideration, and that Mr. Hall and Mr. Thorburn be requested forthwith to proceed to Gravelly Bay, and inquire fully into the system, under which the check rolls, time lists and bills of labor and materials, have been compiled, and warranted for the last 12 months; that Mr. Thomas Merritt Junior, be requested to transmit to this office for examination the Books in which his accounts with this Company for such time and labor were kept and for the work done for Mr. Robinson in 1833.

Truly extracted from the minutes,

J. CLARK,
Secretary, W C. C."

The report was received but not entered on the minutes, in consequence of the President stating it contained partial and unfounded statements, tending to censure the conduct of former Directors, and cast an odium on the general management of the Company, as the other two Directors, Mr. Thorburn and Butler, disavowed any such intention.

The President was requested to give in at the next meeting a reply to each objectionable statement, after which they could decide in what manner it should be disposed of—as they will state when called upon.

In the mean time Mr. Mackenzie went to Quebec, retained a copy of the report and published it contrary to the wishes and intention of every member of the Board.

However, as the document has been already published, and now forms a part of this charge, I beg to call the attention of the Committee to the following items:

1st. The report states that in September 1832 Lewis Garrison and Little were discharged from their contract—this is untrue as proved by Mr. Keefer's answer to question No. 717.

2nd. The inference drawn from the report that this contract was given to Thomas Merritt, Lewis, Sloan, and Clinton—as a favor, is also without the slightest foundation—as per the following extract from the minutes of the Board.

Extract, &c.—5th September, 1832.

"PRESENT.
McDonell,
Keefer,
Butler, and
Creighton.

Resolved, That as there is no prospect of Messrs. Garrison and Little finishing the Lock and Harbor in time, and as the engineer reports that there is not a sufficient force on to complete it.

Ordered, That the same be re-let on the 14th instant and that Captain Creighton. Messrs. Keefer, Randal and Butler meet at the Canal Office to receive proposals for the same—notices to be put up immediately.

WELLAND CANAL OFFICE,
St Catharines, 4th Sep. 1832.

TO THE BOARD OF DIRECTORS,

Gentlemen.

The experience of the past and present year shews the necessity for adopting every precautionary measure for insuring a plentiful supply of water. as well as putting the Canal in a perfect state of repair the ensuing winter. This measure being strongly recommended by the Committee will doubtless receive your attention.

The next subject which should engage your serious attention is providing means for the completion of the new cut—the work at least the clay can be done in a month, the lock and rock in about two months, providing the lock is put into other hands and about the sum of from 10 to $15,000 provided in payment of the work.

At a meeting of the Board held at the Canal Office 1st September, 1832.

PRESENT.

Alexander McDonell, *Vice President,*
Robert Randal, and
Thomas Butler, } Esqrs. Directors"

It appears by the minutes in August that from the devastation committed by the Cholera the Board were then of opinion the work would not be finished the present season, but from what has been since done, and from the report of the agent and engineer of the quantity of rock remaining, the Board think it judicious to renew their exertions and make arrangements to finish the Canal to admit the passage of one vessel at least if possible the present season.

"*18th September,* 1832.

At a meeting of a Committee of the Board of Directors at Gravelly Bay on the 18th September 1832 consisting of Captain Creighton, George Keefer, and Robert Randal Esquires—which was deemed necessary in consequence of a letter from the engineer of the 30th August last, proposals were received from Messrs. H. B. Ostrum, Marshall Lewis, Thomas Merritt and James Sloan, for the same which did not vary materially after taking the subject into consideration—It was determined to let the whole to Messrs. T. Merritt, Sloan and Lewis on the following terms which were the best proposed viz:—

Estimate for Lock and Harbor at Gravelly Bay.

The Mitre	$ 12
Braces inside of Lock	36
Gates and paddle Gates	400
Coping Lock	110
Hollow Quoins	40
Planking Lock	80
5,040 feet 3 inch Plank $20 per M.	110
420 lbs. Spikes	62
2,500 lbs, Iron	150
1120 Perches Stone work $1 00	1120
600 yards Puddling 10 cents	60
Putting in the Puddling 600 yards 20 cents	120
For Pumping	100
300 yd's filling in with earth round the Lock, at 8 cts.	240
20 cents per yard for excavating below the Lock and Piers that can be taken out without dredging, For every pile required $2 50 cts.	240

Ordered, That a contract be made out and the work proceeded in immediately.

These extracts shew the great anxiety the Directors then felt to get the Harbor, Lock and Route finished, the work had laid idle during and since the visitation of the Cholera and the want of money to accomplish it, the only difficulty was to get any competent person to undertake it under those circumstances and a special committee was appointed for this express purpose, who assembled at Gravelly Bay on the spot, and after much persuation induced Thomas Merritt to accept the contract, with others who were selected wholly from a conviction of their competency to execute it—as proved by the answer to question No. 718.

A contract is produced, executed in my name as Secretary—the intimation that the contract was signed by the Secretary—contrary to the orders of the Board is also proved erroneous from the fact as stated in the above extract from the minutes, which shews the Board appointed a committee for the express purpose, and actually sanctioned the contract.

The assertion that it was usual to place the seal of the Company to all contracts is also unfounded, as may be seen by reference to the contracts for the last 12 years—As well as the answers to questions No. 719, and 720—with respect to the accusation of the failure of Thomas Merritt—lengthening of Lock before being finished &c. &c. &c.—Mr. Keefer's answer to question No. 721—shows that no grounds could have existed for the charge.

With respect to the false certificate of Ostrum respecting the pier timber—the answer to question No. 722, shews that it is also founded on erroneous premises—also answer to question No. 723—respecting risque.

It is the misfortune of theoretical men not to be enabled to comprehend the practical effect of employing men who already possess the material to do a certain work with one half the expense, the same person could accomplish it, without the same material.

With respect to the deduction the Committee thought proper to make in the account of that contractor for contracts closed in 1832—I refer to the engineer's opinion given in answer to question No. 728.

The Board of Directors have made the following proceedings on those deductions—Mr. Hall examined the vouchers, work, &c. and made his report, 6th January as appended to charge No. 13.

On the 20th November last, the following order was made on the deductions recommended by the committee, and thus the matter stands—by withholding from that individual £178 8s. 5d.

"*Extract from the Minutes of the Board, 20th November,* 1885.

"PRESENT:

"WILLIAM H. MERRITT, Esq., *President.*
"ALEXANDER M'DONELL, *Vice President.*
"Ogden Creighton, Esquire,
"Thomas Butler, Esquire, and
"David Thorburn, Esquire.

"*Ordered*,

"That the following items be reserved from Thomas Merritt's "account as recommended by the committee.

"The sum of	£8 0 0	for interest on advance of £200 by Mr. Robinson.
"	72 17 9	deducted from Marsh job.
"	19 16 2	
"	11 4 6	over estimated November, 1832.
"	66 10 0	over estimated for excavation.
	£178 8 5	

"Truly extracted,

"JOHN CLARK,

"*Secretary, W. C. C.*"

WITH RESPECT TO THE BERM BANK CONTRACT.

Mr. Mackenzie states his reason for suspecting pecuniary mismanagement from a return made by Mr. Geo. Keefer mentioning 15 cents in place of 14 on this contract—Whether he had good reason for this suspicion will be inferred from the answer given by Mr. Keefer to question No. 729.

The circumstances relating to this contract, are as follows—the arbitrators were very urgent that a Berm bank should be made from Broad Creek to Sunfish Creek in Moulton, 3 miles in length. The Board gave due notice and received proposals—the result of which is proved by answer to question No.730 —which shews a saving to the Company of $677 74— by this act of favoritism a contract was entered into by order of the Board as appears by the following extract from minutes in the usual manner.

"At a Meeting of the Board, 6th November, 1834.

"PRESENT,

"WM. H. MERRITT, ESQ., *President.*

"Doctor Duncombe, "Wm. Chisholm, and "Thos. Butler, Esq'rs. } *Directors.*

"Sundry proposals for excavating feeder, and work at Broad "Creek, also for excavating Lock pits—were submitted.

"*Ordered*—That the President accept the lowest tender."

It was a very heavy job—the winter unusually severe—and the great force necessary to apply on the culvert to get the water in, prevented the contractor, to his great loss, from finishing the Berm bank in time—he was merely estimated for the quantity of work done, and a Bond taken from him to ensure the completion of the work this year at my suggestion, it was quite immaterial who was the sureties, as I was quite satisfied he would finish the work— the sureties are however responsible men, as shewn by Mr. Clark's answer to question No. 742.

The work is now covered with water and will be fully tested before it is accepted—if logs are found they will be removed at the expense of the contractor—the Engineer will bear testimony of my instructions and vigilence on that subject, which produced the letters from Mr. St. John, and Mr. Keefer.

Questions No. 731 and 2 in the evidence are general and answered by Mr. Keefer the Engineer, which if any doubt remained after the proof adduced even by the accuser—must impress the committee with the belief that the Company deserve credit in place of censure for this *charge*.

It will be seen that every little petty attempt has been made to bear on this contractor. The sub-letting the work—which is and ever has been the established practice. Mr. Hall's evidence in answer to question No. 69 proves the calculations on this work to have been correct, also by reference to the following extract from his report to the Directors of August 5th, 1835.

"In reference to the former estimate I have calculated upon "the strictest geometrical principles, *all* the quantities therein "exhibited from minute memorandums and diagrams furnished "by Mr. Keefer, and beg leave to remark in submitting to the "Board the results papers Nos. 1 and 2, that amongst the numer- "ous, complex and varied calculations entered upon, no error of "importance, *or beyond fractional* has been detected."

CHARGE No. 10.

Mr. Mackenzie under this charge states as follows:—"That loans have been made to Directors, "Officers and others, from the funds of the Company, "and without the consent of the Board, and the inter- "est sometimes placed to the Company's credit, and "sometimes kept back by the clerks and officers."

"That independent of the $10,000 borrowed from tolls, Captain Ogden Creighton borrowed

September 1st,	1834,.....	£180 0	0
February 4th,	1835,.....	164 14	0
May 3rd,	1935,.....	97 4	9

in consequence of such loans the debtors of the Company were injured to accommodate the Directors."

The reply of the Secretary to this accusation is my proof to rebut the assertion ;

Mr. Clark's reply to question No. 740, explains this transaction, the loan was made and repaid without loss.

I also had an interest in two or three vessels—taken for the express purpose of diverting business through the canal—and have ever made exertion to procure the building of vessels and other erections to forward that object, which the want of capital alone if no other reason would justify—but have never had any concern in any regular forwarding establishment.

WITH RESPECT TO CHARGES No. 28 & 29.

In this charge the Board are accused of favoritism and a desire to lavish the funds of the Company on particular individuals influencing the management of the Board.

To support this assertion he quotes a minute of the Board, 26th October, 1825—shewing the locks were let at this period to B. H. W. and P. The period when those locks were let is sufficient evidence that the Board are not actuated by those motives—they had not at the time any public grant, and a small proportion of stock paid in. By the testimony of Mr. Phelps in answer to question No. 264, it will be seen that this same person gave in a tender to build the 4 locks at Deep Cut---where timber was far

more easy of access from Chippawa, for $4,500—Although Phelps was only paid $3,400—and this after the experience gained by building the 34 Locks on Mountain, this shews the reliance to be placed on casual conversation or mere rumour—Also an examination of Mr. Phelps before a Committee of the House of Assembly December 5th, on same year (this is brought forward to prove the actual cost of those Locks, finished in 1829—although given in 1825, before they were commenced). Also a letter from Mr. Hall stating an excess of $16,547 having been paid 23rd September 1835—Also Mr. Halls conversation with Mr. Squires.

If the real object had been to ascertain the fact regarding this expenditure—a simple application to me at the Canal Office, either by Mr. Mackenzie or Hall would have satisfied them or any other person—Mr. Hall's estimate is founded on false premises as shewn by his own and Mr. Phelps' testimony—being on Mr. Lewis' specifiation which refers to Lock 100 feet in chamber which was afterwards altered to 110 feet do. Mr. Phelps has not been paid one farthing more on those Locks than Mr. Barrett the principal Engineer's estimate—And not a shadow of censure can rest on the Directors—Mr. Barrett their Engineer made the return, the correctness of which they have no reason to doubt—neither has Mr. Mackenzie attempted to prove or even doubt it himself, but on the contrary has given a favorable opinion of him by his allusion to the alteration of the Canal at Grand River.

The next charge is respecting the *deep cut*—his reason for asserting the Directors knew of the existence of quicksands at the bottom of the deep cut at at the commencement is inferred from the proposals excepting quicksands and hard pan, had he possessed any practical experience, he would have known it is usual for contractors on the Erie and most other canals to make those exceptions in all deep cutting, a well was dug at the north end of this work some feet below the level to ascertain the nature of the bottom which is proved by Mr. Trotter in answer to question No. 663—who states a well was dug below bottom level and that no apprehension existed of any slips at the time, nor in fact until after they had taken place—when men possessing the same foresight as Mr. Mackenzie knew all about it—In 1828 Mr. Barrett directed in clearing bottom of Canal, yet singular enough no wells were sunk—this happens to be the very year the slips took place.

However without further allusion to his inferences on this subject, it is only necessary to put the Committee in possession of all the facts connected with this particular work not only to remove every suspicion of censure, but on the contrary to shew that they were actuated by the most honorable and correct motives towards every contractor connected with it, as well as a due regard to the interests of the Company—It appears by reference to the minutes July 1825—proposals were received for excavating the deep cut on which the following resolutions were passed:

Extract &c.—July 2nd 1825.

"*Resolved*, That this Board considers the most advantageous proposal made them to be from Erastus Chapman, William Stranbogh, John W. Haye, J. Billy, W. P. Adams, Theophilus Brundage, Benjamin Gower and R. P. Baker, and if the above commissioners will produce a Bond from General B. Porter of Black Rock or any other opproved secutity for £1200 currency as security for completing the said undertaking within six days from this date, that we accept of said propnsal, and if the said Bond should not be executed we consider the next most advantageous proposal from Messrs. Hovey, Beach and Ward, and that we accept the same.

Extract &c.—7th July, 1825.

"*Resolved*, That as Mr. Erastus Chapman & Co. have failed in giving the security required on the 2d instant—That Messrs. Hovey, Beach and Ward be notified that their proposals be accepted."

Extract &c.—4th July.

"That if Messrs. Chapman & Co. do not provide satisfactory security by Monday nevt, as they have agreed, that our Agent, Notify Mr. Hovey to make his arrangements for the immediate prosecution of the work, as his proposal has been accepted."

In consquence of which a contract was entered into with Messrs. Beach, Hovey and Ward on the ———at this period accusations were made against the agent for inducing the Board to accept this contract at 25 cents when 16 to 17½ cents were offered as appears by an investigation before a Committee of the House of Assembly in 1825 and 1826—See Mr. Yates evidence and Mr. Barrett's and Mr. Clews letter &c. &c., at this time Mr. Barrett asserts the contractors inform him they cannot finish the work for the prices contracted for, 25 cents—On the 13th February 1827, Messrs. Hovey and Ward applied for a relinquishment of their contract, as appears by the following extracts from the minutes of the Board.

"13*th February*, 1827.

"PRESENT.

"Messieurs Dunn,
Robinson,
H. J. Boulton, and
Merritt.

"It having been represented to the Board by Messrs. "Beach, Ward & Co. that they are desirous of relin- "quishing their contract for the completion of the "deep cut."

"It is resolved that the Board will accept their re- "linquishment of their contract so far as the same "may be under subcontracts, and that the Board "will thereupon enter into fresh contracts for the com- "pletion of those portions at the same price as Beach "& Co., took them at—It is also Resolved—That if "Messrs. Beach & Co. proceed to the completion "of that part which they have kept in their own "hands with vigor and despatch, the Board will take "into consideration any equitable claim they may "have for out fits or extra exertion on the completion "of their contracts.

"*March* 31, 1827.

"Present—Messrs. Dunn, Allan, Robinson, H.J. "Boulton and Merritt.

" The attention of the President and Directors " having been called by the Agent to the subject of " the Deep Cut, and to the necessity of coming to a " decision upon such measures as may ensure its " proceeding without obstruction.

" The Board referred to their resolution of the " 13th Feb., to which they determined to adhere, " and desired that the Agent should request the En- " gineer, as soon as it may be expedient to resume " operations, to report what number of men should " be placed without delay upon that part of the Ca- " nal, in order that it may proceed with proper ex- " pedition, and then to call on Messrs. Hovey and " Co. to carry on their operations accordingly in " pursuance of their contract."

The attention of the Board was particularly called to the subject on 13th April, as per the following minutes:—

" Deep Cut, *April* 13, 1827.

" Present—Dunn, H. J. Boultou, Robinson, Wells, " D'Arcy Boulton and Keefer.

" Messrs. Ward and Hovey presented themselves " to the Board for the purpose of making some ar- " rangements respecting their contract for the Deep " Cut, and after discussing and considering the sub- ' ject, they said that they would relinquish their con- ' tract with the Company for that portion of the Ca- ' nal, & also all their contracts with the sub-contract- ' ors. The Board agreed they should be paid the ' full value of the work which they have performed ' on section No. 6., according to the estimate and ' survey to be made by Mr. Thomas, forthwith, and ' if, when the whole of the Deep Cut is completed ' and finished, it shall appear that the work has cost ' more or less than Mr. Thomas' estimate, it is ' agreed between the Company and Messrs. Ward ' & Co. that the difference shall be received or paid ' respectively by the parties, and at the request of ' Messrs. Ward & Co. the Directors consented to ' take the stock which Messrs. Ward & Co. have ' subscribed at the full amount to which they had ' paid upon it in the settlement of their account with ' the Company.

" Messrs. Ward & Co. having agreed to the fore- ' going terms rather than attempt to proceed under ' their present contract which they altogether de- ' clined, agreements were drawn up and executed ' accordingly; and at the same time it was stated by ' the Company that they did not consider this ar- ' rangement as interfering at all with that part of ' the resolution of the 13th Feb. which expresses the ' readiness of the Board to consider any just claim ' which may be urged by them as soon as the work ' shall be completed, but that at present no such ' consideration can be entertained.

" Mr. Hartwell, one of the sub-contractors, was ' called in and informed that the Board intended to ' take off the hands of Messrs. Hovey & Ward, their ' several contracts with the sub-contractors, and he ' was asked whether he had any remark to make as ' to the effect of such an arrangement on his arrange- ' ments.

" He said he had been paid 18 cents per yard on " the whole job, which was all Ward & Co. had re- " ceived of the Company—that he wished to have " them to give up his notes to the Company, which " had been passed for the 10 per cent stipulated to " be retained, and that he had nothing further to de- " sire.

" Mr. Rowley was also called in and informed in " like manner. He said that Ward & Co. had re- " tained in their hands a sum of about £375 on ac- " count of the 10 per cent stipulated to be retained; " they had given no notes to Ward & Co., and re- " quired nothing more than to be paid in the same " proportion as Ward & Co. receive from the Com- " pany.

" Mr. Hathaway was called in and informed in " like manner. He said he should have no claim " upon the Company for the past—he had given his " notes for the 10 per cent, which he wished should " be held by the Company, and not remain with " Ward & Co.

" Mr. Newlove was told the same—he had no re- " mark to make, and no claim upon the Company " for the past, and will have nothing to look to the " Company for. He has received from Ward & Co. " all he has any claim to, and has given them no " notes.

" Messrs. Ward & Co. being asked if they were " ready to give up the notes of the sub-contractors " which they held as a reservation for the fulfilment " of their sub-contracts, stated that they had not got " them with them at the present moment, but would " give them to the board, in order that they might be sur- " rendered to the parties on the completion of their " engagements; and at the same time requested that " on their so doing, the Board would give up their " notes which they held in like manner; which was " agreed to.

" The Board having taken into consideration a " suggestion from Mr. M'Taggart, civil engineer, " from the Rideau Canal, communicated to the Agent " as to the practicability of washing out a fair portion " of the earth from the Deep Cut by means of " pumping, and the difficulties experienced in exca- " vating the earth from the increased depth being " magnified by the contractors. It is resolved, in " concurrence with the opinion of the engineer in " charge of the work, that he shall immediately lay " out a ditch throughout the Deep Cut, of suitable " dimensions, to admit sufficient water, to try the " experiment of thus washing out a portion of the " earth by means of a current of water, which they " are satisfied will, at all events, afford a sufficient " channel for scows or boats for the purpose of re- " moving the earth at a much cheaper rate than in " the manner now pursued in carriages; and the " Agent is desired to direct the different contract- " ors to apply the whole force of the Deep Cut " on the said ditch, or let it out to other contrac- " tors at the estimate of the Engineer, with a view " to its accomplishment in as short a time as possible.

" Messrs. Ward & Hovey were then called in, " and the Board proposed to them that if they were " desirous to continue their engagement on the Ca- " nal, they might proceed on their section, No. 6, " under the direction of the Engineer; that they " would probably be required to proceed in a man- " ner different from the original design, and that " the Board would pay them upon a monthly esti- " mate of the work done, to be made by the Engi- " neer, without reference to previous contracts, and

" would make them an advance of £1250 on their " note—to all which Messrs. Ward & Hovey per- " fectly agreed.

" Mr. Hartwell was called in and informed that " the Company being now in possession of his con- " tract made with Messrs. Ward & Co. with him, to " understand that they are about to alter their place " of operation on the Deep Cut, which they are de- " sirous should be prosecuted with all possible ex- " pedition, which will cause a material deviation " from the original design, and beg to know wheth- " er he is willing to proceed in the manner stated, " under the direction of the Engineer, to be paid " monthly according to his estimate, to which he " perfectly agreed; and the Board in order to ena- " ble him to commence his operations with spirit " and activity, will agree to make him an advance of " £125.

" Mr. Rowley was called in, to whom the same " statement was made, to which he agreed, and the " Board consented to make him an advance of £250."

" Mr. Hathaway was called in and informed to the " same effect, in which he concurred; and the Board " directed him an advance of £500, one-half by a " draft on New York at 60 days, and the Presi- " dent was requested to endorse his note to enable " him to obtain a discount at the Bank for the other.

" Mr. Newlove was called in, and the same com- " munication was made to him, to which he agreed, " and the Board directed an advance of £100 to be " made him."

They again present themselves and give up their contracts, and the Board at that time not only agree to pay them according to that contract, but the full value of the work performed, according to the estimate of Messrs. Thomas & Barrett, which for the depth from surface down as far as they had gone, amounts to 21½ cents per yard, (see Mr. Keefer's answer to question No. 701.) and further agree to pay them any further sum which the work may hereafter cost; and took back their stock. The sub-contractors were all called in and perfectly satisfied; they were then placed on the ditch at the estimate of the Engineer, but it was soon discovered the work was not prosecuted with energy, nor would the plan recommended by Mr. M'Taggart answer.

The board having previously offered the sum of $500 as a premium for the best mechanic for taking out the Deep Cut, Mr. Phelps makes an offer on 21st May—(see the proceedings of the Board thereon as follows.)

" *May* 21, 1827.

"Present—Messrs. Dunn, H. J. Boulton, Wells, "Robinson and D'Arcy Boulton.

" Read a letter from Mr. Phelps proposing to " excavate the remaining portion of the the Deep Cut " by machinery of his own invention at 27 cents per " cubic yard.

" When the Board determined that in order to " form a correct opinion with regard to the practica- " bility of the plan proposed, it will be necessary for " them to inspect its operation, and for this purpose " it was agreed that they would hold a meeting at " the Deep Cut on Friday next the 25th inst', where " they could also receive from the Agent and Engi- " neer their full report upon the subject."

In the meantime notice was given in for proposals on 26th May, when the Directors met, and the following proceedings were made thereon, which shews as equitable an arrangement as could be adopted.

" Deep Cut, *May* 26, 1827.

" Present—Messrs. Dunn, H. J. Boulton, Robin " son, D'Arcy Boulton, Wells, Keefer and Clark.

" In pursuance of the resolution of the 21st inst. " the Directors assembled at the Deep Cut, and in- " spected the whole line thereof, and also the various " machines of the contractors, and of Mr. Phelps for " the more expeditiously completing the excavation; " and having required each contractor to deliver in " proposals of the terms upon which he or they would " complete such section or portion of section on which " they were severally engaged, they delivered their " proposals accordingly, viz:

" Sylvester R. Hathaway, the remainder of his " job the full width—40 cents—and ditch only, 60 " cents per square yard.

" Martindale and Donaldson—the ditch to the tow " path 1s. 10½d. *C'y.* or the whole width 1s. 6d. *C'y* " per square yard to the bottom level—water indem- " nified.

" A. Rowlay—the ditch for 50 cents, also to finish " the 52 rods on which he is engaged for 36 cents " per cubic yard.

" Hartwell and Son—the ditch at 45 cents, and " the whole of the Section No. 2 at 35 cents per " yard.

" Love Newlove—the remainder of his job—the " whole at 40 cents—the ditch at 60 cents per yard.

" Lory Davis—the ditch at 75 cents to the bot- " tom or the whole width at 50 cents, with the ex- " ception of quicksands, water, &c.

" Oliver Phelps—the whole remainder of the " Deep Cut at 25 cents, with an allowance of 2 cents " per cubic yard for machinery.

" When it was *Resolved*—To accept of Mr. Phelps' proposal, but the Board being desirous of doing justice to the contractors, and protect their interest and property in the concern, it was proposed to offer them the same terms for that portion of the work on which they were engaged under the direction of Mr. Phelps, upon which Mr. P. offered to unite with any of the contractors and give them a proportion of the profits equal to the strength they might employ, or to purchase their teams, shanties, provisions, machinery, &c., or furthermore to allow each contractor at the rate of $1000 per annum for his own services as superintendent—18s. York C'y. per day for each horse team, waggon and driver found —15s. for each yoke of oxen, cart and driver—12s. per week for common board—and $2 for overseers, and a reasonable compensation for other services performed by oxen, at plough or otherwise—and moreover if any one chooses to use any other machinery except such as Mr. Phelps shall erect, whereby a saving may be made, that person shall be entitled to and receive all the advantages that may result therefrom.

The several contractors were then called in, and being referred to Mr. Phelps they entered into en-

gagements with him solely except that they expected the Company would guarantee them for any amount due to them from Mr. Phelps, who agreed that such sum should be retained as might meet their several claims.

An agreement was then executed by Mr. Phelps to complete the above work according to the said terms in six months from this day.

On 9th June, 1827, the following proceedings were had at the Board and Messrs. Hovey and Ward settled with.

"York, 9*th June*, 1827.

"PRESENT:

"Messieurs Dunn,
H. J. Boulton,
D'Arcy Boulton,
Robinson, and
Keefer.

"Messrs. Hovey and Ward attended the Board "respecting their contract on the Deep Cut, Section "No. 6, upon which the minutes of 13th April were "referred to and read—wherein it was agreed the "work they performed upon the said Section should "be paid for according to the estimate of Mr. Tho- "mas, the principal Engineer, which estimate was "now presented to the Board, viz: on Section No. "6, 27 cents per cubic yard for work done during "last season.

"Sec. 35—11.704	yds.	embankment by Osborne,	10½ cents.
"12,324	"	ditto	15 do.
"12,338	"	Hovey and Ward,	12½ do.
" 6,769	"	(near floating bridge) Osborne,	16 do.
" 5,323	"	(sand bank) Hovey & Co.	16 do.

"*Resolved*---That the Secretary do make out a "statement of the work performed by Hovey and "Ward upon Section No. 6 during last year, and "transmit it together with their several contracts and "accounts with the Company, to the President.

"*Resolved*—That the drafts drawn by O. Phelps "on the Company in favor of Hovey and Ward, S. "R. Hathaway & Co. for cattle and other property "purchased of them, be endorsed by the President, "viz:

£. "To Smith, Ward & Co.	at	30 days,	dated 7th June,	£500
"		90 "	"	500
"		5 months,	"	500
"To S. R. Hathaway,	at	30 days,	"	250
"		90 "	"	500
"		5 months	"	500

"*Resolved*---That security be given by Mr. Phelps "for the above, and also for $7,000 agreed to be ad- "vanced to him.

"*Resolved*---That Hovey and Ward be paid for "the Shanties, Smith's Shop and other buildings ac- "cording to a valuation to be appraised by two "persons."

On the 22d November, 1828, the following proceedings were had respecting the slips or slides:

"ADJOURNED MEETING OF BOARD, 22*d Nov.* 1828.

"The Directors proceeded to the Deep Cut, ac- "companied by Mr. Barrett and Mr. Phelps---and "having examined the recent slides which have taken "place, of which the Engineer has given a particu- "lar description.

"It was proposed as the best mode to overcome "the difficulty occasioned by the unsoundness of the "bottom of the Deep Cut, to bring down a feeder "from the Grand River, from the still water above "the Bear foot rapids, in such a direction as will in- "tersect by the shortest practicable route, the pro- "posed line of the Welland Canal from Grand River "to the Welland (it is calculated that by these means "a head of water 14 feet above the Western section "of the canal will be obtained) to be descended by "two locks."

See also the proceedings of the Board, 1st of January, 1829.

EXTRACT, &c.

"*January* 1*st*, 1829.

"PRESENT:

"Honorable J. H. Dunn, *President.*

"H. J. Boulton,
"Hon. Wm. Allan,
"J. B. Robinson, and
"Wm. H. Merritt.

"Mr. Merritt having attended at the request of "the other Directors, submitted a report from Mr. "Geddes of a survey made by him and Mr. Barrett for "the purpose formerly considered by the Directors "the result of which survey appears to make it inex- "pedient to proceed in the plan of taking the water "down from the Grand River, above Bearfoot ra- "pids by a feeder, a difficulty occurring from a height "of land in a place where it was not anticipated.

"Mr. Geddes fully confirms by his opinion the "judgment of Mr. Barrett formerly expressed in "favor of daming the Grand River near the mouth "and thus obtaining a few feet rise of water upon "the level through the Marsh.

"After discussing several propositions submitted "to the Board, it is *Resolved* by the Directors that "the most expedient is to Dam the Grand River "near the mouth—to proceed in cutting through the "Marsh for a feeder to be conducted to the Bank of "Welland, at or near Hellem's Creek to construct "an aqueduct over the Welland at that point and "dig a feeder from thence on the north side of the "Welland to deep cut—construct 2 Locks, by which "vessels may ascend from the Welland to the deep "cut upon the proposed level to be procured by "means of a feeder along the Welland."

All of which proves the difficulties they had to encounter, Mr. Geddes' report is also adduced with regard to the main question whether they paid Mr. Phelps more than the work executed was worth—sufficient proof is adduced from the evidence of Mr. Hall and Keefer shewing the actual or customary value of such work in proportion to depth—the statement of Mr. Phelps shewing the relative proportion, the pro-

posals given in at the time averaging 37 cents per yard—I refer to Mr. Hall's statement in answer to question No. 209.

The evidence in minutes, together with the concurrent testimony of Mr. Hall in answer to question No. 200 corroborating the average price shews the directors could not have been actuated by any improper motive in this transaction, nor could they have been inattentive to the best interests of the Company.

Mr. Trotter's evidence of the offer of Mr. Hovey 50 cents per yard.

Newlove 40 cents per yard—the average of offers at time 37 cents per yard. The lowest offer except Phelps, to indemnify water, 30 cents.

The actual value in case the first 10 feet is valued at 15 cents is $35\frac{3}{10}$ cents. I refer to answer to question No. 704.—If valued at the prices the Company have actually paid—38 $\frac{3}{10}$ cents.

The actual price paid Phelps after all advances are included is 34 cents per yard—I refer to answer to question 702, making no allowance for water, meeting house, cattle, or any other contingencies which clearly and fully proves that the work was executed at a less price than it was actually worth, including all allowances by concurrent testimony of engineers and offers at the time.

With respect to the construction of locks, reference is made to the report of Commissioner in 1831 when Mr. Mackenzie was employed as Secretary and was actually present at the inspection—I refer to that report in 1830.

Extract from the Minutes of the Board, 10th of May, 1835.

"That Mr. Clark having been required by minutes of the Board 4th November 1831, to give security to the amount of £1000 on taking upon himself the office of bookkeeper to the Company, submitted the following.

"Job Northrup and Charles Ingersol Esquires, as securities.

"*Resolved*, that the same be accepted of, and that he enter upon his office accordingly.

Extract from Minutes, 7th January, 1835, *page* 303.

"*Ordered*, that a reduction of one-third of the rent due for the past year will be remitted to the mill owners on the lower part of the Canal, provided the saw-mill owners bear a proportion of the expense for dredging the Canal below their mills, and the deduction for interest due for the year 1833."

Extract from Minutes, 9th June, 1827.

"*Resolved*, that the Secretary make out a staement of the work performed by Hovey and Ward upon sections 6 during the last year, and transmit it together with their several contracts and accounts with the Company to the President.

"*Resolved*, that Hovey and Ward be paid for the shanties, smith shop, and other buildings, according to a valuation to be appraised by two persons."

"*Resolved*, That Hovey and Ward be paid $50 for a machine which they erected at the tunnel in 1825."

At a meeting of the Board held at York on Monday, 21st May, 1827.

PRESENT.

The Hon. John H. Dunn, *President*.
H. J. Boulton,
Hon. Colonel Wells,
J. B. Robinson, &
D'Arcy Boulton, Esquires.

"Read a letter from Mr. Phelps proposing to excavate the remaining proportion of the Deep Cut, by Machinery of his own invention at 27 cents per cubic yard.

"When the Board determined that in order to form a correct opinion with regard to the practicability of the plan proposed, it will be necessary for them to inspect its operations, and for this purpose it was agreed that they would hold a meeting at the Deep Cut on Friday next, the 25th instant, where they could also receive from the Agent and Engineer the full report upon the subject."

Extract 24th November, 1827.

Hovey and Ward's business which was discussed and recommended to the meeting of the Board on the 4th ult., was now approved.

York, 24th *November*, 1827.

PRESENT:

Messieurs Dunn,
H. J. Boulton,
Wells,
Robinson, and
D'Arcy Boulton.

Mr. Merritt and Mr. Phelps were in attendance as required last Board.

Read a letter from Mr. Phelps dated 24th November, 1827, on which the Directors having deliberated and having examined the Agent and Mr. Phelps, and compared his general statement with the accounts—of work done and the expenditure incurred—the Board

Resolved—That on looking back on the proceedings of Mr. Phelps since the beginning of June when he undertook the completion of the Deep Cut, they find that he has established a strong claim to the confidence of the Company from the result of his exertions. It appears that when he entered upon his contract there remained to be excavated on the Deep Cut 677,328 yards—of this he has excavated and removed 344,260 yards, leaving 333,068 yards or about one quarter of the whole Deep Cut to be yet completed.

There has been paid to Mr. Phelps, £20,349, and about £9,500 has been advanced to him in addition to enable him to bear the immediate charges of the great outfit necessary for so extensive an operation—and now at the conclusion of the season Mr. Phelps represents that £2000 more is required by him to enable him to discharge unsatisfied claims of laborers and others.

Upon this view of the present state of that most arduous portion of the Canal, the Directors see reason for a well-grounded confidence in its completion, during the next season, under Mr. Phelps' management, and they see no reason to mistrust his ability, prudence, or good faith. The Directors resolve to support him as long as they continue of this opinion with the necessary advances for proceeding in the work, and they therefore agree to make the advance desired by him of £2000, upon his executing

a bond and warrant of attorney to the Company for the amount.

It is, however, the express direction of the Board that no part of the £2000 shall be advanced until Mr. Phelps has perfected his security upon all his real and personal property, to the satisfaction of the Solicitor of the Company, and the Agent is to see that the direction is strictly complied with, and an inventory of the property as descriptive as circumstances will permit, and pointing out where it is at present deposited, is to be forthwith furnished by Mr. Phelps to the Secretary of the Company.

CHARGE 18.

With respect to charge No. 18: In reply to the assertions made on this subject, I have merely to remark, that the entire proceedings which were before the Committee of last year, are again fully detailed in our last report, and that Mr. Yates is still ready to enter into any arrangement that may be deemed equitable and just, and as it is a subject still left open, it is difficult to conceive what could have prompted or induced any person to attempt to impute censure on the Directors with regard to it. The documents submitted to a Committee of this House last year, and Director's Report of this year gives a full detail of the proceedings of the Board relating to this transaction. The accusation respecting the Directors engaging in mills and erections on the line of Canal, is, in part, true, but he has not attempted to shew any evil which has arisen from it; in fact, the mills I am engaged in are not yet in operation. An order of the Board exists, as appears by the following resolution, of date, 4th July, 1834:

"*Resolved*—That every application for water power or land, be made in writing, and to have priority according to dates, and that the plans and surveys of the property be made, and the business to commence forthwith; the present occupants, of course, to continue in their property."

This resolution authorises the lease of water to the first applicant, on the terms therein stated—$100 for run of stone or single saw, and in that proportion for other machinery; it is found, that, at Gravelly Bay, only 6½ feet head can be obtained, and that water can only be used, at best, a portion of the time; the Board are desirous to procure erections on all parts of the line, knowing that the capital invested in mills at Oswego, forms a great portion of our revenue from toll; that the mills at Rochester, Black Rock, Lockport, and different parts of the Erie Canal, are in active competition, aided by any command of capital they may require. Any aid of that description, on the line, should be considered a favor conferred on the Company, by the individual making them, in place of a reproach; and it will be so considered by any individual, who can comprehend the subject. With regard to its influencing the reduction of toll, it has not been shewn; but must produce the contrary effect. However, if the Company, Stockholders, or any individual, think otherwise, every Director will be happy to relinquish their interest.

CHARGE 15.

With respect to charge 15: This relates to an old transaction, which took place in 1825, was before the Committee of the House that year, and again in 1830, and now brought forward for the third time—which, with the voluminous correspondence appended to it, is intended for information.

The whole transaction is explained over and over again, in each of the letters, the circumstances are, as near as I can recollect, as follows:

In September, 1825, Mr. McGillivray drew out a resolution, in his own hand-writing, appointing Mr. Boulton to go to London to obtain the stock which we expected Mr. McGillivray or Galt would have obtained—it is as follows:

Minutes of the Board—20th September, 1825.

The Report of the Surveyor in regard to the route of the canal from Holland Road to St. Catharines were read and re-considered, together with the maps and profiles prepared in order to be transmitted to England, and finally a draft of a detailed report proposed to be sent to England, was read, and taken into consideration, but the paper being very long, and the subject of the utmost importance, it was only arranged in regard thereto, that Mr. Boulton should take the papers with him to New York for further consideration, and from thence to transmit them to Mr. McGillivray by whom and by Mr. Ervine they are to be recommended to their friends in England.

On further consideration of the importance of this intended appeal to capitalists in England to furnish the Directors with that portion of the Company's capital which remains to be subscribed, and which has been expressly reserved for the stockholders whom they hope to find in England in preference to those who might have been found elsewhere; feeling the propriety of offering the most ample and satisfactory explanation on every point, and considering the difficulty of so doing, and especially the difficulty of meeting questions, or doubts arising from the want of local knowledge of this country in any other manner than by the presence of personal communication of some agent or representative duly authorised and qualified to afford such information as may be required, it was agreed that such mission to England, if undertaken by a competent person, would offer the most probable means of ensuring the success of the intended appeal to that country for the remaining capital, and Mr. Boulton having kindly offered his services for this purpose for three or four months on condition, merely of his reasonable expenses, not exceeding the sum of £300 st'g, being paid, the proposal was received with due acknowledgement, and it was

Resolved, That Henry J. Boulton, Esquire, be authorised and requested to proceed to England as the agent and representative of the Welland Canal Company to obtain such capital as may be required by the Company and in negotiating for the same and in all matters connected with this mission to act according to such instructions as he may hereafter receive from the Board.

That the Welland Canal Company do pay Mr. Boulton's reasonable expenses on his mission, not exceeding the sum of £300 sterling.

On the above, Mr. Boulton went to Toronto, after taking the draft for £300, Mr. Dunn not being there, repaired to Quebec, thence to New York and England. Much dissatisfaction prevailed at the time, in consequence of Mr. McGillivray's letters censuring Mr. Boulton, and my placing the seal on the Power of Attorney, for fear of imaginary consequences.—What was the result? Mr. Boulton re-paid the money, which exonerated Mr. Keefer and myself; he did not effect his object, consequently, no injury arose from it, and after his return, the Directors paid him for the trip. I have no objection to have all this old useless trash printed, with this farther addition, that with my present experience, from having had similar Powers of Attorney before and since, unlimited in their nature, and having given them to others; if the same thing was to be done over again, I should pursue precisely the same course.

CHARGE 7.

This subject was investigated as early as the year 1825, as appears by your Journals, the whole transaction is embraced in the following brief statement: Mr. McGillivray proposed and drew up the minutes relating to Mr. Boulton's mission to England I atiached the Company's seal to the Power of Attorney, expecting Mr. Boulton to get the approval of Mr. Dunn, who, it appears, was not seen by Mr. Boulton before his de-parture; the order to pay him the £300 was complied with before he went. Mr. Boulton returned the money, and there it ended; he was afterwards paid when I was not a Director. The whole matter was again canvassed in 1830, by a Committee, and now again brought forward, as new matter, to swell up the accusations.

Another question and answer is made out by Mr. Mackenzie and handed in, from which sundry small items are extracted—this account was also examined by the Committee of 1830, and approved of by this same person, as here shewn by the balance sheet of that year, but it answers his purpose to complain, sometimes of items, at others, for the want of them; he is more happy in displaying his talent and ability in those selections, than in any other measure relating to his duty as a Canal Director; they are fit emblems of the capacity of his mind. It will be seen, that the office copy is a receipt for £100, for expenditures, the items of which, were kept for my own private information, to shew the accuracy of my expenditure, and embraced the following periods and services:

From 3rd February, 1835 to 6th May, 1835, attending the Legislature, including two trips to Niagara and St. Catharines,	£44	15	9
One trip to Montreal and Quebec,	29	11	4
And one to New York between 6th May and 1st August, 1835,	24	7	1½
	£98	14	2½

It should have been entered at the £100, and the balance, £1 5 8, re-paid, but, we were not then in anticipation of having an inquisition instituted in 1835 or 6, for the second or third time. The account is reasonable, for the service performed, and is only produced to gratify a little personal malice.

The charge of £25, paid Newlove, for hire of horse, saddle and bridle, is a mistake.

The charge of horse hire and saddle is,	£ 5	5	0
The remainder is for payment of a road cut by said Newlove for which the committee made this allowance,	14	15	0
	£25	0	0

Although, he asserts in his evidence, he never received any payment for roads on Deep Cut.

The transaction relating to Mr. Yates having received £500 for getting a bill discounted, is another specimen of misrepresentation—the circumstances attending it were as follows:

The House passed a bill granting £50,000 to the Company, at 5 per cent. interest; it could not be negotiated in this Province, and Mr. Yates, after much time, and expense, and responsibility, succeeded in negotiating it, at par, in Philadelphia, for which, the Board unanimously voted him this sum, and I can scarcely believe any Stockholder or individual in this Province, could be found to make a rebuke on it, well knowing the sacrifices that individual has made besides losing the interest for near ten years on a large an investment in this work.

CHARGE 30.

I consider this merely an attempt to get his Welland Canal paper printed under the sanction of the Committee, to go to the public with a semblance of truth and importance.

1st. Is his notice in Advocate 10th Dec. preparing the public mind for such an exposure as would excite the *indignation of every good man*, prepare the minds of *stockholders and creditors* to advise the *members of the Legislature*—and then leave it to them to say *who should pay the printer*. A most worthy motive.

2d. His letter to the Board, 21st Oct. 1835, wherein he states that "*false entries to the disadvantage of the stockholders and the public, to the amount of at least ten thousand dollars, are* CLEARLY *to be seen on the books of account.*

"That *fraudulent erasures* have been made, to the injury of the Corporation.

"That a defalcation of *many thousand dollars*, on the part of the officers, is plain and evident.

"And that the entries in the books, in many cases, exhibit to me a *systematic series of efforts* to cover dishonesty *and embezzlement.*"

3d. Resolution of Board—on which after the above extraordinary charge by this person, the Board sealed up the books and papers until their next meeting, which is appointed by his request *on 19th Nov.*, when they are to appoint *proper persons to enquire into their financial affairs*, and *report what grounds there are for the charges Mr. Mackenzie has preferred.*

4th. A letter he addressed to the Board, 6th Jan. 1836, which they considered *unworthy of notice.*

5th. A resolution passed 6th Jan., 1836, in substance, as follows:—that in consequence of the charges made by Mr. Mackenzie, Burns and Bowery, were appointed on the 19th Nov. last to make an examination of these charges and accounts, and having presented their report exonerating those officers from the imputations with which they were charged by that individual—which the Directors fully believed.

The Board did not concur with Mr. Thorburn, because, as, in their opinion, Mr. Mackenzie had gratuitously made a malicious and false accusation against the officers of the Company, unsupported by a particle of evidence, and had also published those opinions to the world, to the manifest injury of the Company, they did not consider him entitled to a consideration. Whereas, the officers of the Company, who were always considered men of integrity and character, were continuing under the most unjust imputation, without, in their opinion, a shadow of reason, except a few unimportant errors.

CHARGE 24.

Which states "that, after the first election, the nominees, of certain persons in New York, always "had the nomination of a majority of the Board, although holding a very small share of the stock, "and that the elections have not been, on all occasions, conducted according to law."

The grounds for this charge, appear to be, the election of Directors by Mr. Yates, who retains the confidence of the majority of the Stockholders. This is rather too frivolous to notice, were they not generally formed on similar grounds. Sometimes he

complains of the influence of the Executive Government, &c. &c. &c., and he produees one instance in 1829, where one of the Directors moved that the Hon. John H. Dunn should be re-appointed President, instead of putting a piece of paper in a tumbler and call it voting by ballot, when the sentiments of every member were well known to be unanimous on the subject.

CANAL MANAGEMENT.

For the Committee fully to understand this arduons, profitless, unpleasant, and thankless duty, it is only necessary to refer them to the minutes of the proceedings from year to year.

CHARGES 1, 2, 3, 4, 5, & 6.

These were given in six distinct charges, the first embracing—

"That the books are improperly kept, and, as I think, purposely to defraud the public and the Canal proprietors."

2. That very many erasures have been made in the Journal and Legers, some of which are to the evident disadvantage of the Company and the benefit of persons connected with the management of the Canal, while there are others concerning which nothing could be traced by which to discover the original entries."

"3. That false and erroneous entries have been made on the books of account to a large amount."

"4. That there is a great defalcation on the part of officers of the Company."

"5. That false accounts have been sworn to and laid before the Legislature."

"6. That important transactions of large amount have been improperly withheld from the Company's books of account for several years."

Mr. Mackenzie has, for the sake of perspicuity, or some other purpose, blended those charges all in one, and left the Committee to select. For instance, he calls such items as the following a defalcation:—charging for the printing of Mr. Yates' pamphlets, £21; payment to John Boyle, £18; payment to Jack Toyne & Co., £24 1; and many others of a similar description, which were errors admitted before any investigation was heard of.

For a correct understanding of Mr. Mackenzie's proceedings, in this matter, it will be necessary for the Committee to refer to my reply to charge No. 30, where his proceedings and accusations are briefly detailed. Before this, Mr. Beaton was employed in examining the books with Mr. Mackenzie, and when an error was discovered, it was promptly admitted.

The books and accounts having been briefly examined by Mr. Mackenzie and a Committee of the House of Assembly up to 1830, his inquiries at St. Catharines, did not extend prior to that period. After Mr. Mackenzie made those extraordinary charges the books were closed up until an investigation was made, as he recommended, in concurrence with Mr. Thorburn. The gentlemen appointed, reported NO DEFALCATION, and the Board fully concurred with them in that opinion.

As soon as this Committee was appointed, which was on 22nd January last, prompt measures were adopted to bring over the books and papers and officers of the Company—no delay has arisen on their part, but, on the contrary, every facility has been afforded to forward the investigation.

On the 27th of Jan., I, as the President presented the following letter to the Chairman of the Committee, with a view of obtaining a detailed statement of the items which composed Mr. Mackenzie's charge of defalcation.

HOUSE OF ASSEMBLY, *Jan.* 27, 1836.

To the Chairman of the Committee on Welland Canal Accounts.

SIR,

I have most respectfully to solicit that you will request William Lyon Mackenzie, Esq. to present a statement in writing, specifying the items which compose the defalcation with which he has charged the officers of the Welland Canal Company.

Also the items which compose the charge of fraudulent entries and erasures.

Also the charges he has made against myself, he having stated that I have served in the capacity of Secretary and Treasurer since Mr. Black resigned, and that the funds of the Company since that period have passed through my hands, in order that I may have time to answer to the allegations thus made.

The statement thus preferred not to preclude Mr. Mackenzie to make any other charges hereafter.

I am, Sir,
Your obedient servant,
W. H. MERRITT.

The motive in doing this, was, the President having called the meeting of the Directors in October, from the promise of Mr. Mackenzie to produce those items—that after producing them in the hand-writing of Mr. Hall, he obtained possession of them under a false pretence, and refused to give them up, and also refused to surrender them under an order of the Board, passed unanimously on the 19th November.

After Mr. Clark, the Secretary, arrived, he presented the following letter, in which, he admitted the existence of errors.

TORONTO, *Feb.* 8, 1836.

SIR,

I have the honor to acknowledge the receipt of a paper from W. L. Mackenzie, Esq. placed in my hands by the President of the Welland Canal Company, purporting to be in compliance with the following order:—

"*Resolved*, That William Lyon Mackenzie Esq. Canal Di-
"rector, be required to furnish to the Committee *a detailed* state-
"ment of the charges he may have to prefer against the Welland
"Canal Company or any of its officers, specifying under distinct
"heads the *several* items of charge."

The first is a general assertion of the truth, of which you will judge hereafter

2. In compliance with the above order I request Mr. Mackenzie to name the items embodied in the above charge—I acknowledge are £50 to Thomas Merritt junior made in error by Callaghan my assistant.

3. I require the items which compose this charge.

4. I require the items which compose this charge.

5. This charge I pronounce untrue as far as the inference would lead, that any accounts have been knowingly and falsely sworn to by me. Errors I admit, and always have.

6. This is incorrect as to importance and time, but true inasmuch as relates to tolls of 1830, 1831, and 1832.

7. Those charges will speak for themselves.

8. I have no knowledge of any improper payments made, as here alluded to.

9. I am unaware of any payments made unless sanctioned by the Board.

10. It has never been done in any case to the injury of the Company,

11. The assertion is correct as to two sets of books which are unnecessary, as will be clearly shewn in the ordinary transactions of the Company, but the inference drawn from it is not correct.

12. Mr, Merritt never had charge of the books after Mr. Black left them. I succeeded Mr. Black in that department, as will be seen by the minutes of the Board.

The charges from 13 to 30 does not relate to monied transactions but management—must refer to the President Mr. Merritt for any further information on those points, my object is only to solicit to be furnished with the items which compose Nos. 2, 3, and 4, which will materially facilitate the investigation of the committee.

I am Sir,

Your obedient servant,

JOHN CLARK,

Secretary W. C. C

I again urged the committee to obtain a copy of the original charges which Mr. Mackenzie produced at the meeting of the Board in October, but it was only presented 26th inst.

The Committee cannot but perceive that if Mr. Mackenzie's motive had been to elicit the truth, this investigation could have been brought to a termination in a very short period as relates to the defalcation, inasmuch as the Secretary would at once have admitted all errors, and the committee could have judged as correctly then whether those errors were made with a fraudulent intent, as at this moment. But his motives can be clearly seen by the effect the publication of this evidence will produce if ever read. For instance it will appear that he has by his questions drawn out from the evidence proof of those different items, as no person will imagine for a moment that they were promptly admitted if only errors, and the list he produced first to the Board of Directors at St. Catharines, and now to the committee in the handwriting of Mr. Hall, calls them no more, whence the necessity of taking up so much time to investigate them by such a torturous proceeding.

Mr. Clark's evidence will shew the committee that the officers of the Company were fully aware of the existence of irregularities in the books, and explain the reason why the corrections were not made. It is unnecessary therefore to remark that the credit Mr. Mackenzie takes to himself as being the original discoverer of those irregularities, falls to the ground.

There is frequent allusion made to the absence of a cash account from the books, and this is done in such a way as to lead to the impression that up to this time there is no such account. A reference to Cash Journal folio 287 will shew that such an account has been kept for the last eighteen months.

It will be seen by a reference to the evidence of Mr. Keefer that the allegation made respecting the keeping of an estimate book is incorrect. The estimate book now in use will shew that an abstract is made up at the end of each estimate to shew the different divisions or the different works on which the amounts are expended, and a reference to former estimate books will shew that such a plan has always been kept up.

Messrs. Bowery and Burns were called on to examine the charges—more particularly that of defalcation—brought by Mr. Mackenzie against the Company and its officers, as the report of those gentlemen will shew, and not to the affairs of the Corporation generally. They gave it as their opinion that there existed no defalcation on the part of the officers of the Company, although the errors contained in Mr. Mackenzie's original list are notified by them, and in this opinion they will be borne out by any investigation.

In transactions so multifarious as those of the Welland Canal Company, where accounts were kept with about 2000 individuals, and extending over a period of twelve years, it would be rather extraordinary if no errors should have occurred. It will be seen that such as *have* been pointed out do not operate prejudicially to the interests of the Company, and that as Bowery and Burns have given their opinion there has not been one shilling of defalcation shewn against any of the officers of the Company.

The following order of your committee of 27th February last

"Mr. Thorburn, seconded by Mr. Chisholm, moves that it be resolved That Messrs. Hincks and Young be required to examine such particular accounts on the books as *Mr. Mackenzie* may point out to them, with such assistance as they may require from *Mr. Mackenzie*, and that such books, papers and vouchers as they may require to enable him to do so, be furnished him by the Company."

Shews that every opportunity has been extended and every assistance afforded him for the fullest examination, which has been continued without interruption up to Saturday, 26th inst., while the time occupied in answering those voluminous charges was only three days.

Your committee are also respectfully requested to bear in mind that Mr. Mackenzie has had eight months to prepare his charges. While in St. Catharines he had the assistance of the officers of the Company; and since the books and papers came here he has had the assistance not only of the officers of the Company, but also of the gentlemen appointed for that purpose by your committee on 27th February last. A comparison of the schedule of errors he made up in St. Catharines (copied by Mr. Hall) with the charges he had submitted to this committee, will shew that many of those charges have been advanced by him since he has had access to the books and documents by order of the committee, and hence his refusal to present his schedule of errors until he had closed his case.

WITH RESPECT TO CHARGES 8, 9, & 11.

The first is that the officers paid their salaries without an order of the Board—this is incorrect; there was always a standing order to pay salaries, and by an examination of the books it will be seen that the Company were in most cases in arrears for salaries.

WITH RESPECT TO THE REPORT OF MESSRS. BOWERY AND BURNS.

By reference to charge No. 30, we have stated in what manner they were appointed—their report states they do not believe a defalcation of one pound will be found—time will determine whether the in-

sinuation respecting the Company and those gentlemen are correct, or whether their accuser merits the name of slanderer.

WITH RESPECT TO CHARGE No. 20.

"That important original estimates, contracts, re-
"ceipts, and other papers, are missing at the canal
"office, and that the officers in no way account for
"their being missing."

That many important documents are missing (two are named.)

1st. The original estimate for Dec. 1831.

2d. The original estimate for Nov. 1832. It is true, the original documents alluded to, were missing, of which Mr. M'Kenzie was duly informed previous to his commencing his investigation. It caused great research and anxiety, and can only be accounted for from the circumstance, that at the periods alluded to, a committee was appointed to settle claims equitably and otherwise, composed of Messrs. M'Donell, Lefferty and Randal; also another committee to settle the accounts of Messrs. Little, Garrison, and Lewis, those estimates were taken out of the office for reference at the time, to satisfy the contractors and committee, and must have been lost or mislaid. The testimony of Mr. Keefer shews, that no injury has arisen from it.

The 3d is neglect of the Secretary to fill in the names of lock tenders, who had given in proposals. The reason no contract was ever entered into with those lock tenders, it being deemed advisable to hire them by the month—a matter of no moment whatever.

WITH RESPECT TO THE DEEDS, PLANS, &c.

Mr. Keefer's explanation will shew the method and manner of making them out and the cause of their not being registered.

WITH RESPECT TO THE OFFICE,

The accuser was in favor of the erection.

CHARGE 22.

A number of letters are copied as usual, and assertions made that the money has been shamefully jobbed and mismanaged—improvident contracts carelessly made—heavy debts incurred, &c. &c. &c.—all of which is unsupported by a shadow of proof.

If the committee would carefully investigate the minutes of the Board they will find not a solitary instance during the last twelve years when loss has arisen from carelessnes in drawing up or executing contracts.

That only two or three law suits have been incurred during that period—that altho' their necessities compelled their entering into contracts at some times to finish certain portions of the work, to open the navigation, no injury has arisen from the measure, but on the contrary, it only proves the judgment with which they have carried on this operation under the most appalling circumstances.

CHARGE 26.

It is alleged that £718 10s. is procured to pay Elam Lynds & Co. from Bank, and paid Mr. Yates in place of Lynds—the only explanation required is what the accuser was informed, that Lynds & Co. were the makers and that Mr. Yates engaged the machine from them and paid them—that we had all the documents prepared to prosecute them for the deception practised on us—which was deferred—the subject was fully explained to the committee of last year, and is no new matter.

WITH RESPECT TO THE STEAMER SIR WALTER SCOTT.

This Boat was built by a number—Mr. Merritt held four shares it is true $400—the engine cost £600 and the boat altogether £1500; the Company had the scrapers, frame, and all the apparatus for dredging on hand,—the boat was brought down on dry dock with a view of strengthening her—the ship carpenter thought she could be converted into a drudge at a very small expense,—the President agreed that it should not cost over £500 and was extremely anxious that the Directors should purchase it, and regrets to this moment they had not, for the interests of the Company; and the only reason assigned at the time against it was the certainty of having one at the expense of the Government, which would render this unnecessary—I refer to Messrs. Keefer and Thorburn's testimony on this subject.

The letter from Mr. Dalton and others of a similar nature, which were purloined from the office, is also adduced to produce an effect. I cannot consider the Board or any of its officers responsible for the sentiments of others.

CHARGE 23

Relates to politics. As he has nothing to support this charge but a letter written from Mr. Dalton—for which neither the Board, the indivivual to whom it was addressed, or any other person except the writer, can be answerable. It appears he has withdrawn any accusation himself, therefore it is useless to consume the time of your committee on the subject

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CHARGE 12.

Our accuser asserts that I succeeded Mr. Black, as Secretary, in June, 1832; that the books and accounts were in my possession, and that I was the responsible officer, until November of that year. In making this assertion, I laid the minutes before him, consequently, the Committee cannot but be sensible of the motive which has governed me in making this statement.

By reference to the minutes of the Board, of October 7th, 1831, it will be seen, that the office of Agent, which I then held, was to be abolished, and the duties of Agent to be discharged by the Secretary, to which office I was to be appointed on the resignation of Mr. Black, which, I believe, was then given in. I refer to the following extract as follows:—

Extract from Minutes of the Board, Nov. 4, 1831.

" PRESENT :

" The Hon. John H. Dunn, *President,*

" Alex. McDonell, Esq. *Vice President,*

" The Hon. W. Allan, and R. Randall, Esq.

" At the request of Mr. Yates, John Clark, Esq. was nomina-
" ted for the office of book-keeper to the Company on Mr. Black's
" retiring from the present situation of Secretary—whereupon it
" was resolved,

" That John Clark be appointed book-keeper with a salary of
" £150 per annum upon his giving security in the sum of £1000."

Truly extracted,

J. CLARK, *Secretary.*

It will be seen, that, at the request of Mr. Yates, John Clark, Esquire, was appointed book-keeper, upon his giving security to the amount of £1000, as soon as Mr. Black should retire, by the following extract from the minutes of the Board.

Extract from Minutes of the Board of 19th Nov. 1832.

" PRESENT :

" The Hon. John H. Dunn, *President,*

" George Keefer, Robert Randall, and

" Thomas Butler, Esquires.

" *Resolved,* That Mr. Merritt resume his situation as agent,
" and Mr. Clark be appointed secretary."

Truly extracted,

JOHN CLARK, *Secretary.*

On reference to the minutes of the Board, 19th of November, 1832, it will be seen that Mr. Clark was appointed Secretary, and I resumed the situation as Agent.

This could be corroborated by the testimony of every Director. I refer to the evidence of Mr. Clark, the Secretary, and Mr. Keefer, the Engineer, then on the line, also, to Mr. Hincks' evidence, proving this.

You will see in the minutes of the 10th May, 1832, that the security by Mr. Clark, was regularly given in, and further, that, after the decease of those gentlemen, the subject was again brought under the consideration of the Board, as per the following extracts, viz :

Extract from Minutes of the Board, July 4, 1834.

" PRESENT :

" W. H. Merritt, Esquire, *President,*

" Thomas Butler, and

" Ogden Creighton, Esquires, *Directors.*

" *Ordered,* That the Secretary, who is receiving and paying
" out moneys be requested to furnish security to the amount of
" £500 by two securities, and double the amount in his own
" name ; and that all those who have similar responsibilities be
" required to present them in this office within the present
" month, or consider their situations vacant."

Extract from Minutes, 13th September, 1834.

" The Bonds from the several persons required to produce the
" same were submitted.

" John Clark, Esquire, himself in £1000, his sureties George
" Adams and H. Mittleberger £500 each ; which were severally
" approved of."

Truly extracted,

JOHN CLARK, *Secretary.*

And that the Secretary is at this moment responsible with two good sureties to amount of £500 each, and himself in £1000.

WITH RESPECT TO Mr. BEATON,

His general character, for integrity, has hitherto placed him above suspicion.

If any further proof was wanting to establish the facts, in contradiction to this charge, public notoriety would be sufficient. From the commencement of this work, my whole mind and personal attention has been directed to the general management of this Corporation, in obtaining means and attending to the work ; seldom in the office, or even at home ; and it never was intended or expected that I should have any charge whatever of the books. (See Mr. Dunn's evidence, Keefer's, Clark's, and every other person called before the Committee.) His statement, that I was in possession of books, from June to November, 1832, or that the Secretary is under the control of the President, is quite as true as $\frac{19}{20}$ths of all his assertions.

His main object, from the commencement, was to implicate me in the monied concerns of this Corporation, but I am satisfied there is not a member of the Committee who can entertain a doubt on this subject —he has failed to produce a shadow of proof, either personal or documentary.

CHARGE 16.

It is true, on the 26th October, 1825, the resolution referred to, was adopted, (in consequence of receiving General Beach's letter,) to which I refer as follows :

Resolution adopted at a Meeting of the Board of Directors, 26th October, 1825.

" A proposition having been made to the Directors by G. S. Beach, Esq. of Rochester and Geo. Keefer, Esq. of Thorold, that they would construct or cause to be constructed a large and extensive flouring mill with at least four run of stones on the line of the Welland Canal, capable of making the best superfine flour, adjoining to St. Catharines, and at the first locks on the mountain, and have the said mills in readiness by the time the water is let into the said canal—Be it resolved, that the said General S. Beach and Geo. Keefer, Esquires, be allowed the privilege of a mill seat for the above purpose, providing they perform the said conditions ; the above proposition having likewise received the sanction of Simon McGillivray and H. J. Boulton, Esquires, at the meeting of the Directors on 20th September last."

The motive assigned for puffing up a particular privilege on the mountain which is equalled to Rochester, was for the purpose of benfitting George Keefer, Esquire, one of the Directors. Passing over all this extraneous matter, the facts are, at the time this order was passed, not one man in 100 believed the Canal would ever be finished. (See Mr. McMicking's evidence.) But, as the Board were inclined to give the situation, at St. Catharines, on condition that the mill should be ready by the time the water was let in, they gladly embraced the offer of Mr. Keefer to erect one at the top of the mountain on the same conditions. To shew the value of the

grant at the time, it is only necessary to remark, that General Beach never accepted the offer, and Mr. Keefer was considered visionary for laying out his capital on his mill at the time. It is a very easy task for a person at this day to censure the conduct and attribute motives to the Directors 10 or 12 years back, for a particular act, but to ascertain the truth, the Committee should place themselves in their situation at the time.

WITH RESPECT TO THE St. CATHARINES FEEDER;

I had no interest in renting it from the Company. I have since rented from the lessees the lower level out of three, number one being still in possession of the Company, and besides the 500 bringing $200, and has situations for many more; and with all the assertions, I have no interest in any saw-mill or any machinery on the line, except shares in 2 grist-mills—one at Gravelly Bay and one at St. Catharines, neither of which have used a drop of water from the Canal, and are not finished. With respect to this subject, the Committee must see the obvious advantages those erections are to the Canal, and the income which must be derived from them. I should be happy to transfer any individual interest I possess in them, to the Company or any person whatever.

WITH RESPECT TO FORWARDING;

The same motive which induced me to join in the erection of mills, extended to vessels—having little or no capital on the line, I joined others in building and purchasing vessels; taking a small interest in each, to draw produce through the Canal; and as we had no funds in the year 1833, I advanced the amount of tolls to Mr. Randal that year on those vessels, but never was interested in forwarding, in any way, except in the proportion of those freights, which was a trifling business and attended with loss.

WITH RESPECT TO THE ALTERATION OF ROUTES;

As allusion is made to Mr. Gordon's letter, I refer to Journals, 1825 and 1826, page 10, for that gentleman's opinions, as well as the reports of the Engineers thereon; he has not, however, produced a shadow of proof in support of the charge, that I had any influence whatever in determing this route.

CHARGE 17.

This charge is made out by asserting, in the first place, that the mode of leasing water privileges is a bad one—that mode is as follows:

Extract from Minutes of the Board, June 7, 1834.

"*Resolved*, That all leases for hydraulic property be for two years only."

14th July, 1834.

"*Resolved*, That every applicant for water power or land be made in writing and to priority according to dates, and that the plans and surveys of the property be made, and the business to commence forthwith, the present occupants of course to be continued in their property."

By which means, the first applicant, in writing, is certain of obtaining a situation, it is the interest and desire of the Directors to obtain erections and court applications—the system is found to work well, and our accuser is the first person ever objected to it.

2nd—That important mill sites have been given away. This assertion is untrue; the only solitary instance is the one seat to George Keefer, Esquire—the other person who obtained a similar offer at the same time, 1824 or 5, did not choose to avail himself of it.

3rd—That Messrs. Merritt, McDonell, Boulton and Creighton, are interested as mill owners, and literally voted money into their own pockets, which he proves by quoting the resolution of 7th January, 1835 and 1833, where a reduction of $\frac{1}{3}$ of the rent is made.

The facts relating to this subject, are as follows:

1st—I was not a mill owner at that period, and, up to this day, have not made use of any water.

2d.—The deductions were made in consequence of the water being taken out of the canal altogether near one half the year—to finish that part above Port Robinson—and it was deemed unreasonable to charge for water when the mill owners were deprived of the use of it. Again they may reduce the toll—the lock keepers might neglect their duty; but no instance is shewn that it has been done—on the contrary, even Mr. Hall's testimony proves the reverse: the want of capital on the line was the only reason which induced the Directors, particularly Mr. Yates, to engage in any erections whatever; that in so doing he and they have rendered great service to the Company and surrounding country is clearly manifest—at the same time as they are all ready at any time to surrender their interest it is rather singular it should be made a subject of censure.

Again we find—*Costly Favoritism—Merritt's Mill.* After an insinuation that I have been guilty of some extraordinary or base act, in connexion with Mr. Boulton—he quotes a petition of Mr. Gordon's Nov. 1825, praying for an alteration of the line of canal, but with his usual want of candor conceals the following admission of Mr. Gordon at the time, viz:

Extract from Mr. Gordon's *evidence taken before a Select Committee of the House of Assembly in Nov.* 1825.

"*Ques.* Have you any facts to state, or remarks to offer, in "support of the petition presented by you, and now read?—*Ans.* "As to the report of Mr. Roberts, which I only saw on Saturday "last, the explanations Mr. Merritt has given to the Committee "this morning, have overcome my objections as to the point, the "alteration of the route; and I now only wish the provision last "prayed for by me, to be afforded, viz: that stockholders not ap- "proving may withdraw their subscriptions, and their stock paid "in be refunded, as I believe there has been no meeting of the "Stockholders on that point."

He asserts the alteration was made to serve the private interests of myself—which he infers from my having been in possession of a mill on the 12 mile creek, for which the arbitrators in 1826, who were composed of a number of individuals awarded me £600—the only question for consideration is this—

Was the object of selling that mill a sufficient inducement for me to induce the Engineers to alter a route of such importance—Secondly—If so, have I exercised that influence ?

To determine this point the committee should go back to 1825, ascertain the actual worth of a grist or flouring mill with three run of stone—a saw mill with 2 saws, the mill yard, 2 dwelling houses, a barn, and several acres of land included in the mill pond—for the remainder of the canal which went through a valuable meadow for which I paid $50 per acre in 1816 the arbitrators did not allow a farthing.

Then it would be necessary for them to form a correct judgment to ascertain whether the difference between that property and the £600 was a sufficient inducement ; whether the Engineers employed (Messrs. Clowes, Roberts, and Hall, who were then on the several routes) were men of such dubious character as to be influenced by any individual to make a false return, or whether Mr. Gordon would have made the admission and withdrew his objection without good reason that the present route answer the most valuable purpose and is decidedly the best, practical experience has proved. (I refer to Mr. Keefer's evidence.)

To follow up this subject it may be necessary to explain further that in making the lock and dam the saw mill was removed, and it was necessary for a considerable expenditure to be made or let the grist mill go into disuse ;—I advanced the capital and put a new saw mill and the grist mill in operation on condition that I was to have the use of it until the Company thought proper to resume it, on which I expended, as stated, £678 12s. 7d. He (Mr. Mackenzie) then produced several letters with a view of shewing the improper course pursued by me, to which I refer for the most positive proof of the correctness of my motives. In 1828 I wrote the Board stating I preferred the Company taking those mills as I did not wish to be concerned in them.

In 1831, having been requested by Mr. Yates to become interested in and take the management of the Hydraulic purchase, I addressed a letter to the Board—they answered me leaving it wholly with myself. On reflection I still continued of my former opinion and declined becoming interested.

Mr. Mackenzie asserts I have since become a lessee of the water power at St. Catharines.

I wish the committee to be in possession of every circumstance relating to my conduct and management, either with the Company or canal, since its commencement. I never, altho' in possession of all the facts relating to routes, made one original purchase before the canal was made; I have made a purchase of land in Dunnville with Mr. Street in 1832 from Mr. Phelps—another in 1834 at Port Colborne from Mr. Draper. I have also taken an interest of one-sixth in a mill at Port Colborne, to be propelled with steam and water alternately—and the principal share of a flouring mill at St. Catharines, wholly with a view of establishing those erections to improve other property. The latter privilege I leased from the individuals who leased from the Welland Canal Company without any interest in the former, and had there been any chance or prospect of other individuals making those erections I would not, and the moment an objection was made by any Director I manifested my willingness to relinquish as stated in my letter to Directors 1825—although not with a view of wishing to retain my situation in the Welland Canal Company, with which I have had good reason not to be well satisfied.

CHARGE 25.

An attempt is made to cast the odium in removing this route to the influence of Mr. Boulton.

Without referring to the private and other letters, he (Mr. Mackenzie) has thought proper to take from the office to make out a case on this subject. I have a perfect and distinct recollection of every circumstance relating to it.

Early in the year, 1st January, 1829, the Board determined on the Report of Mr. Geddes to assume a higher level and bring the waters of Grand River through the Deep Cut. Notice was given and proposals received the 31st of the same month ; preparations were made, the route explored, and the dam placed under contract to the Messrs. Wilkinson, Simpson, Monson, & Pratt : the work was actually commenced in March, prosecuted with the greatest possible rigor until the order was received from Sir John Colborne to discontinue the work until the arrival of Commodore Barrie and Captain Phillpot, R. E. at the Naval depôt at the mouth of the river, the former of whom had formally protested against the dam being erected near that station. On their arrival I was sent for from St. Catharines—went up in the night—expostulated, and urged every thing in my power to induce him to alter this opinion, but to no effect.

I then went over to Toronto in Company with Mr. Yates, and obtained an order from His Excellency to resume the work on condition of the Company giving a bond to return it if hereafter required. I went up commenced again, and was again stopped by an order from His Excellency not to extend the dam within 5 miles of the mouth ; this was afterwards reduced two miles, but on examination it was found impracticable to build a dam at any other or nearer situation to the mouth than the present site.

On the 8th May the Directors attended, and approved of the site, as will be seen by reference to the minutes as follows, viz :

May 8th, 1829.

" The President and Directors, on the 6th and 7th instant, inspected the Grand River, in order to determine upon a proper site for the proposed dam, having found it necessary, from the objections advanced by the naval department, to abandon the further prosecution of the dam near the mouth of the river. After an examination of the banks, it appeared to the Directors that it is expedient to construct a dam nearly opposite the limit, between Moulton and the Indian lands, and about four and a half miles from the mouth of the river.

" Resolved that the Engineer be directed to proceed immediately to lay out the dam, embankment, and feeder, from the Grand River, locating the dam at, or near the situation to be pointed out by the agent, (being that which appeared to the Directors to be preferable) unless the Engineer finds some good reason for suggesting an alteration, which he must, in that case, report immediately to the Board, with an estimate of the probable difference in expense to be occasioned by such alteration. The site for the dam to be approved by Mr. Wilkinson the contractor."

My advice was at the time at all hazards to erect the dam below and every member of the Board was

decidedly against the removal, as they have from time to time expressed. Mr. Barrett's letter of June 1829 was written at my express request on which to form our report.

The cause of the removal was always a subject of notoriety, and the only individual who ever charged Mr. Boulton as being the cause of it is our present accuser—which, like most of his other charges is formed from his own imagination without a shadow of proof or a vestige of truth.

WILLIAM H. MERRITT.

THURSDAY, *March* 31*st*, 1836.

Committee met.

PRESENT:

JAMES E. SMALL, ESQ. *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver,
Thorburn.—8.

J. T. BOWERY, Esq., *called in and examined.*

[BY MR. MERRITT.]

749. Mr. Mackenzie asserts that Mr. Burns and yourself were induced to make a report from some improper influence exercised by the Welland Canal Company, or some of its officers—is that the case. Further will you state when the examination of the books commenced, and whether you believe any defalcation of money exists?—The only intercourse Mr. Burns and myself had with the officers of the Company during the examination of the books was to get such explanations that we deemed requisite in order to compare with the statements Mr. Mackenzie published in "THE WELLAND CANAL," we certainly did not allow ourselves to be influenced by any of the officers of the Welland Canal Company, or did they make any attempt to influence us. One of the Directors was generally in attendance.

The order for the examination of the books by the Board of Directors, I now hand in as follows:—

WELLAND CANAL OFFICE,

St. Catharines, 19th Nov'r, 1835.

Whereas it has been stated by Mr. Mackenzie, a member of this Board, that the financial affairs of this Corporation are in a state of great derangement, and that the books have been improperly tampered with—And Whereas the Board are desirous to have the charges made by Mr. Mackenzie thoroughly and impartially investigated by some competent and disinterested person or persons.

Resolved—That J. T. Bowry, Esq. be authorised to examine and compare the said charges with said books on behalf of this Company, together with all receipts and expenditures of all monies which have come into the possession of this Corporation from time to time up to the 31st October inclusive—and that the Secretary Mr. Clark be requested to appoint another person to act in conjunction with Mr. Bowry—and that those gentlemen do report the result of their investigations to this Board—and that they shall have full power to examine all persons, books and papers, in any way connected with the affairs of this Corporation.

Resolved—That the following Directors of the Board do attend at this office by turns weekly to superintend the examination of the books and closing of the accounts of this Corporation, in the following rotation.

Thomas Butler, Esq. to attend to the 30th November.

Alex. McDonell, Esq. the following week.

David Thorburn, Esq. the next week.

Ogden Creighton, Esq. the week after—And to be continued in rotation.

Truly extracted from the minutes,

JOHN CLARK,
Secretary.

This order is dated the 19th of November, but the examination was not commenced for some days afterwards, in consequence of Mr. Burns not being able to attend. Mr. Burns and myself, have already given it as our opinion, that no defalcations of the funds of the Company by any of its officers existed, and I have had no reason since to induce me to alter that opinion.

[BY MR. MACKENZIE.]

750. What is your occupation, and where do you reside?—I reside in St. Catharines—I am not at present in any particular employment.

751. You are I understand the late partner of Mr. Butler, one of the Welland Canal Directors appointed by the Company, and was with him the lessee of Merritt's mill, now called Bowry and Butler's mills?—I was a partner with Mr. Butler, but not when appointed by the Board to discharge the duty above stated.

752. Your reasons I presume for the conclusions you have come to with regard to the books of the Company are to be found in your and Mr. Burns' report which I have given in to the committee?—Yes.

753. Mr. Burns the accountant employed with you in the examination of the books is I understand a practising Attorney at St. Catharines, Mr. Merritt's brother Director in the Grand River canal, and the person who had the loan of $700 from the officers without an order of the Board, is he not?—Supposing those statements in the questions to be true, he is the same.

754. Mr. Merritt has asked Mr. Clark whether he was not aware that errors existed in the books and whether it was not his (Mr. Clark's) intention to examine and correct such errors to which Mr. Clark replied that it was, but that I had occupied Mr. Beaton's time so as to prevent this correction. I understand that you was chosen by the Directors and Mr. Burns by the Officers, to examinine the books and accounts in November, after I left. Did Messrs. Beaton and Clark state to you that they had shewn you all such errors and improper entries as they knew of?—Mr. Beaton shewed me such entries as were irregular, but Mr. Clark did not interfere in any way or shape, and further I made no application to him.

755. Did Mr. Clark employ or nominate Mr. Burns your assistant employed to examine and correct the books?—I believe he proposed Mr. Burns as a competent person for the duty—(I refer to the minutes of the Board.)

MR. CLARK, *again called, and further examined.*

[BY MR. MERRITT.]

756. Mr. Mackenzie assumes that if he had not been appointed a Director of the Welland Canal Company the errors which appear would never have been discovered by the officers, was it not known to you that errors existed, and was it not always your intention to examine the Books and correct such errors?—It wss shortly after Mr. Beaton entered the office in September 1834 he mentioned to me that he had discovered the irregularity of some entries in the Books, and that he meant to examine and correct them, and also to make a general examination of the books since Mr. Black left up to the time he took charge of them. There being some matters in arrear then, and papers to regulate in the office, he was occupied during the winter in bringing forward those matters—and on Mr. Mackenzie becoming a Director and commencing his examination at St. Catharines Mr. Beaton's time was wholly engrossed by Mr. Mackenzie, and he was thus prevented from proceeding with the examination.

757. In question 413 an explanation is required why Lymburner and others remain creditors on the books?—When the awards were made the Company were not in possession of funds to pay them, and the amounts were carried to the credits of the individuals—when those individuals were paid the amounts were debited to the account of awards instead of the individuals.

758. Do you know the circumstances under which Mr. Yates negotiated a loan for £50,000?—The Debentures were issued by the Receiver General at 5 per cent—Mr. Yates negotiated the loan at the U. S. Bank, Philadelphia, at a very considerable expense to himself and a saving of one per cent interest to tne Company from the month of June 1831 to the 16th September 1833, which at the legal rate of interest would have amounted to upwards of £800.

759 Under what circumstances was the loan of $10,000 made to Mr. Yates to which Mr. Mackenzie refers?—The loan to John B. Yates Esq. was authorised under the following order of the Board entered on the minutes 4th July 1834.

PRESENT.

" William H. Merritt Esq. *President.*
" Thomas Butler. and
" Ogden Creighton Esqrs. *Directors.*

" A letter from John B. Yates Esq. of the 10th of " June having been submitted requesting a loan of " £2,500 to repay certain sums advanced in this " country for which he will pay interest and return " the principal when required."

" *Ordeeed,* That the same be advanced, and the " Directors feel pleasure in having it in their power " to return him a favor so frequently received in the " various stages of the canal, and that the same be advanced from the tolls collected."

Truly extracted from the minutes,

JOHN CLARK,
Secretary.

At the time this loan was authorised to be made to Mr. Yates there was sufficient funds in the hands of the Company to meet the demands then against them.

The whole of this loan has been fully paid by Mr. Yates to the Company with the interest accruing thereon.

This loan was expended in the country.

760. Will you produce the vouchers to shew that Brundage should be credited the timber he delivered which Mr. Black omitted carrying to his credit on the Books?—I hand in the vouchers, which clearly shew it was a mere omission not to enter them, which are as follows—viz:

THOROLD, *March* 2, 1825.

DEAR SIR,

Mr. Merritt has written several times to us from York giving his opinion that you should stop getting any more timber, in his last he urged us again and the other Directors are also of opinion you should not get any more. You will therefore stop all further operations in the timber contracts until further advice from the Directors.

GEO. KEEFER,
P. W. C. C.

No. 27.

WELLAND CANAL OFFICE,
St. Catharines, 22d April, 1827.

Received from the Welland Canal Company, by Wm. Hamilton Merritt, Esq. the sum of fifty-eight pounds, sixteen shillings and five pence, currency, on account of my contract in procuring timber.

£58 16 5. T. BRUNDAGE.

Welland River.

MR. T. BRUNDAGE,

To HINKLE & ALLAN, *Dr.*

		C'y. £ s. d.
1825—*June 27th*—To securing 112,819 feet of timber as per agreement at 1s. 3d per thousand,		7 1 0
June 27th—Dr. To order on Brown,	£4 0 0	
Do. do.	2 5 0	
	£6 5 0	

St. Catharines, June 14th, 1825.

J. GORDON, Esq.

Please pay to John Brown the sum of $29 1-4 for Board, &c. while securing the timber.

Your Obedient Servant,
JAMES CLOWES,
Civil Engineer.

Countersigned, W. H. MERRITT, *Agent, W. C. C.*

Certified to be correct, SAML. CLOWES, *Civil Engineer.*

THEOPHILUS BRUNDAGE,

To W. DEVINE, DR.

To 23½ days work, applied on the securing timber on the Chippawa, at mouth of Tunnel..... Halifax currency.....	£4 8 1½

Received payment in full,
WILLIAM DEVINE.

Chippawa, 12th *May,* 1825.

President and Directors of the Welland Canal,

To J. W. GARRISON, DR.

To 4 days services assisting Mr. George Rykart to measure timber, at 5s.....	£1 0 0
To my board for said time, 3s. 9d per day.....	0 15 0
To my horse keeping, 1s. 3d. per day.....	0 5 0
Halifax currency.....	2 0 0

J. W. GARRISON.

St. Catherines, 14th May, 1925.

W. H. MERRITT, Esq.,

Please pay George Keefer, Esq. the sum of $39 25 cents, or orders left with you for accounts and receipts due me from the Welland Canal.

And oblige yours, truly,

JOHN BROWN.

27th December, 1825.

Expenses paid by Mr. Brundage on the Chippawa, while measuring timber, the Engineer having no money.

	£	s.	d.
At Mr. Brown's	0	6	6
" Burger's	0	10	0
" Burgar's Jun.	0	7	6
" Carroll's	0	2	6
" Ditty's	0	10	0
" Sensebough's	0	5	0
" Swezey's } " Clowes' }	0	7	6
Halifax currency	£2	9	0
E. Hodge, Jun., 4 days measuring timber, at 3s. 9d.	0	15	0
	£3	4	0

JAMES CLOWES.

Welland River.

MR. T. BRUNDAGE,

To C. SENSEBOUGH, DR.

	£	s.	d.
1835, June 14, rafting 40,625 feet of timber to the mouth of the Canal, as per agreement, at 6d. N. Y. c'y per hundred	£6	6	10½
Four days measuring timber, at 3s. 9d	0	15	0
June 16, Order on Brown, £2 8s. 9d.	£7	1	10½

J. R. M. Crysler, certify that Abner De Cow and Aaron Curry was sworn before me as arbitrators for Theophilus Brundage and Edmund Hodges, Jun., in prising the round timber sill for the Welland Canal.

Sworn this 15*th July*, 1835.

R. M. CRYSLER, J. P.

River Welland, Brown's Inn,
May 16th, 1825.

MR. BRUNDAGE,

To O. STRAIGHT, *Dr.*

	£	s.	d.
Fastening, pegging and securing the timber in the River, 7 days,	£1	15	0

May 16th. Received payment,

ORIN STRAIGHT.

Award to Edward Hodges for the cutting of each tree 1*s.* 3*d.*

The above timber was contracted for with Mr. Brundage for the Welland Canal.

ABNER DECOW,
AARON D. KIRBY.

DAVID SECORD, Esquire,

UMPIRE—*London District.*

Received of T. Brundage £16 17s. 6d. Halifax C'y. for the round timber fell in the month of February in the Oswego Woods, 164 sticks or trees, and on Caston 106 sticks or trees.

EDWARD HODGES, *Junr.*

St. Catharines, 22*d July*, 1825.

Welland Canal.

MR. T. BRUNDAGE,

To J. B. PAPPENEU, *Dr.*

1825	£	s.	d.
May —To 12 days services, assisting to measuring timber, at 3s. 9d.	2	5	0
June 27.—Securing 40,625 feet of timber as per agreement, at 1s. 3d. per M.	2	10	9½
	£ 4	15	9½
To 6 days services collecting the timber adrift in the River,	1	2	6
	£ 5	18	3½
June 27—Do. to order on Brown, £ 2 5 0			
Do. do. 1 0 0			

The Welland Canal Company, Dr,

To ORSON WILKINSON.

	To one days work			$ 1 00
May 2—	do.	do.	measuring timber	1 00
3	do.	do.	do.	1 00
5	do.	do.	do.	1 00
6	do.	do.	do.	1 00
7	do.	do.	do.	1 00
9	do.	do.	do.	1 00
10	do.	do.	do.	1 00
11	do.	do.	do.	1 00
13	do.	do.	do.	0 50
				$ 9 50

St. Catharines.

The President and Directors of the Welland Canal Co. DRS.

To .T BRUNDAGE.

1835.	£	s.	d.
April 28—Orson Wilkinson securing and measuring timber	2	7	6
May 12—Mr. Devine, securing	4	3	1½
" 14—To amount of services charged by J. W. Garrison, assisting in measuring timber with Mr. Rykart	2	0	0
" 16—To O. Straight, securing and measuring timber	1	15	0
June 6—Paid sundries for board, &c. up the Chippawa	3	4	0
" 27—Hinkle and Allan securing timber	7	1	0
J. B. Pappenew, assisting in measuring and securing	5	18	3½
C. Sensebough, securing timber, 23 days at 5s.	5	15	0
Assisting in measuring, 4 days at 3s. 9d.	0	15	0
Paid to Vannorman, marking the timber, 10 days at 3s. 9d.	3	2	6
July 22—Paid J. Hodge, for timber felled and not squared as per receipt	16	17	6
15 days attendance in securing timber, at 7s. 6.	5	12	6
	58	16	5

The above account is correct according to the vouchers,

JAMES CLOWES.

Welland Canal Company,

To J. VANNORMAN.

	£	s.	d.
By assisting in measuring timber on the River Welland, with J. Clowes and Rykert, 10 days at 10s.	£5	0	0
Ditto, to 2½ days with S. Clowes, at 8s. per day	1	0	0
N. Y-currency	£6	0	0

£3 15s. Halifax currency,

Welland Canal, 27*th May*, 1825.

J. VANNORMAN.

St. Catharines, 13th Feb. 1826.

Received from W. H. Merritt the sum of £170 17s. 1d. Halifax currency, the balance on account of timber got out for the Welland Canal Company.

T. BRUNDAGE.

Welland Canal Company,

To T. BRUNDAGE, DR.

	£	s.	d.
To 443 feet 6 inch framed timber at the north end of the proposed tunnel line at 19s. 11¼d. per 100	4	8	5½
To 481 feet framed timber in north shaft at 19s. 11¼d.	4	15	11
To 655 " " centre shaft, the one half at 19s. 11¼d. per 100, the other half at 18s. per 100	6	4	2
To 3441 feet timber north end, not framed, at 17s. 5¼d per 100	30	0	0
To 7125 feet timber, south end, " 15s. 6d	55	4	1½
To 199,072 " in the River Welland, 12s. 4½d	1231	15	2
To three-fourths of £32 10s. as per award for shanties, &c.	24	7	6
To 10 per cent on £164 2s. 6d. as per award	16	8	3
	1373	3	7
Deduct for ripping 13,867 feet of pine timber, at 4s. per 100, as per award £27 14 6			
Deduct for ripping 100 feet of oak, at 6s. 4 12 0			
	32	6	6
	1340	17	1

Approved,

JOHN H. DUNN,
P. W. C. C.
SAMUEL CLOWES,
Civil Engineer.

The above account is correct according to the best of my knowledge, from the estimate of the Engineer, who measured the same and the award of the arbitrators.

WILLIAM H. MERRITT,
Agent W. C. C.

Received from W. H. Merritt, £120 currency, on account of my contract for delivering timber to Welland Canal Company by order of the Board July 24th.

THEOP. BRUNDAGE.

St. Catharines, July 25th, 1825.

Received from James Gordon, Esq. Treasurer Welland Canal Company, the sum of £300 Provincial Currency, on account of my contract with that Company.

THEOP. BRUNDAGE.

St Catharines, 2d April, 1825.

Approved, GEO. KEEFER,
P. W C. C.

£300.

Received from W. H. Merritt, Esq. Agent for the Welland Canal Company, the sum of £750 Halifax Currency, on account of my contract with said Company, this being a duplicate receipt for the same amount of same date.

THEOP. BRUNDAGE.

St. Catharines, July 4th, 1825.

We, John Decow and Samuel Street, referred to by the Directors of the Welland Canal Company and Mr. Theophilus Brundage to adjust certain differences subsisting between the parties on an agreement made between them in the month of December last, for the supply of framed timber to have been furnished for the tunnel of the said Canal. Having duly considered the subject do adjudge, award, and determine as follows—that is to say—That there be deducted from the price Mr. Brundage was to be paid for the timber for the south half of the tunnel nearest Chippawa, for hauling out of Chippawa creek and delivering as specified in the contract 3s. 1½d. Canada C'y. for every 100 feet of timber which the said Theophilus Brundage has now in Chippawa at the south tunnel mouth ready to deliver—For framing the same if on the plan insisted on in the specification exhibited to us hereunto annexed, 2s. 6d. same C'y. per 100 feet, or 5s. C'y. aforesaid per 100 feet if framed on the plan exhibited to us on the tunnel route, ready framed all to boring and pinning the rafters at top—and cutting a gair or notches in each of the posts for the rafters to shoulder on.—For whip-sawing, dividing the same into two parts such of the raft timber ready to be delivered which is 20 inches square, and in that proportion for larger or smaller, 10s. *C'y.* aforesaid for every 50 feet in length of that size, and 6s. 8d. same currency for every 50 feet of pine timber of that size. That Mr. Brundage be allowed by the Company for expenses he has incurred in expectation of completing the contract from which he has been prevented in conformity to a clause set forth in the agreement.

	£		
For one Shanty House by him built, - - £	12	10	0
For two Shanty Houses by him also built, - -	15	0	0
For one do. do. do. next to the north tunnel mouth, being good for itself, -	0	0	0
For making road on the tunnel route to haul timber	5	0	0
£	32	10	0

Three-fourths of this amount, being £24 7s. 6d. currency to be paid to Mr. Brundage for cattle, horses, and tools by him provided in aid of accomplishing the contract, amounting to £164 2s. 6d.—ten per cent of this sum being £16 8s. 3d. *C'y* aforesaid for the loss he may sustain—to realize the same the 3 first mentioned shanty houses hereafter to belong to, and be considered the property of the Company, and the one last mentioned to continue to be the property of Mr. Brundage.

Given under our hands and seals at Thorold, this 20th day of July, 1825.

JOHN DECOW, [L. S.]
SAML. STREET, [L. S.]

ST. CATHARINES, June 7th, 1825.

To the President and Directors of the Welland Canal Company:

GENTLEMEN,

Agreeably to the instructions given me by your Agent W. H. Merritt, Esq. I have mentioned and marked all timber got out by Mr. Brundage or his sub-contractors under the contract held by him for timber to be delivered to the Welland Canal Company—have also entered the notes, names and sub-contractors, when got out, length and breadth of each stuck, and where delivered—in one of the books of the canal company, and said book delivered to W. H. Merritt, Esq.

I remain,
Gentlemen,
Your most Obd't Humble Serv't.
JAMES CLOWES.

P. S.—The timber got out is as under:

Single.			*Double*
5439	8	On the line intended for tunnel	1530 6
2065	2	" " Bank of River Welland	
112819	4	In the River opposite J. Brown's farm	1019 11
39625	11	" " above Thompson's	2404 9
10444	1	" Oswego Woods	301 4
3987	6	" " Creek	
19859	3	On lot No. 1, 2d concession, Caistor	2441 11
239	6	Framed on the line	
			7698 4
204	0	For the tunnel mouths	

194684 5 + 7698 4 = 202,382 9 amount total.

Specification for the proposed Tunnel upon the Welland River.

This part of the work to consist of a subteraneous passage or mine, 16 feet 8 inches in width by 16½ feet in height, to be excavated from the Southern termination of No. 1 Section, extending in a direction 12° W. of North, for a distance of two miles, terminating 44 yards North of the Welland River.

The internal surface of this tunnel to be properly secured with well seasoned and connected timber, free of shakes, of the following dimensions:

The pavement or bottom frame work to be of plank 16 feet 8 inches in length into 12 by 6 inches in thickness,—the inferior surface laid flush six feet under the surface water of the Chippawa river and properly bedded in the levelled bottom, of the tunnel.

The side posts or uprights to be firmly indented into the bottom timbers or sleepers twelve inches upon the face, by 10 inches in thickness, and 12 feet in height, placed so as to support angular rafters each 9 feet in length, pitch 4 1-2 feet—the particular mode of uniting the timber work may be seen by an examination of the accompanying elevation.

KNOW ALL MEN BY THESE PRESENTS, that we, the President and Directors of the Welland Canal Company, (for, and in behalf of the Stockholders of the said Company) in the District of Niagara and Province of Upper Canada of the one part, and Theophilus Brundage, of the Township of Grantham, District and Province aforesaid of the other part, have entered into an agreement this day of December, one thousand eight hundred and twenty four.

As witnesseth.

The said Theophilus Brundage doth hereby covenant, promise, and agree to and with the said President and Directors as aforesaid, that he will deliver, at the Shafts and Tunnel Mouths of Section Number two on the Welland Canal, all the timber which may be wanted for the Tunnel, in such proportions as may be required, the same to be procured from good sound pine, or white or swamp oak, to be fresh and firm, free from shakes, large knots, and every other defect, to be all ready framed to any pattern furnished by our Engineers. Posts and rafters to be ten inches by twelve inches wide and thick—the sills to be six by twelve inches, and will be received if taken from any firm wood—back side of posts may be one inch leaning or bend-edged. The rafters to be taken from the body of the tree, and in no instance from the top, to be the best of timber, the length to be for posts 12 feet, sills sixteen feet eight inches, rafters nine feet, as per Mr. Hall's specification, the same to be altered at any time by paying in proportion for other dimensions. The timber to be all inspected by any person the Company, their agent, superintendent, or engineer, may appoint. The timber to be all cut or felled in the months of January, February and March, when the sap is out of the tree, and to be delivered as soon as may be required. And further, in case the Company should alter the size of tunnel, or meet with any obstruction, we are only to pay for the quantity of timber then delivered, and a reasonable price for what may be on hand, and the expenses incurred.

In consideration of which, the said President and Directors of the Welland Canal Company, doth hereby covenant, promise, and agree to and with the said Theophilus Brundage, to pay him for all timber so delivered at the following rate, viz: eighteen shillings, Halifax currency per hundred feet for all the timber so delivered on the south half of said tunnel nearest Chippawa, and nineteen shillings and eleven pence farthing for all required on the north half of said tunnel, to be framed and delivered as above mentioned.

The payments to be made for all delivered monthly, reserving for the first six months one quarter in each monthly payment, and one-eighth per month thereafter, until the whole shall be delivered, when the arrearages, or reservation, shall be all paid up.

For the due performance of which, we bind ourselves each to the other, in the penal sum of One Thousand Pounds, lawful money of said Province. As witness our Hands and Seals the day nd year above mentioned.

In presence of

THEOPHILUS BRUNDAGE, [L. S.]
GEORGE KEEFER, [L. S.]
President W. C. C.

THOMAS MERRITT,
GEORGE KEEFER, JUN.

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761. Did not Mr. Mackenzie on the 21st of October last, at the time I assented to call the Board, promise to furnish me with a copy of the items which composed the defalcation to which he alluded in his letter to me—that I might examine the same on the day after, prior to the meeting of the Board which was called on the 23rd of same month?—He did.

762. Was not the presentation of those items delayed until the day the Board met?—I understood the arrangement between Mr. Mackenzie and yourself to have been that he (Mr. Mackenzie) should have handed you the list of items on the morning of the 22nd of October, at which time you called, but did not obtain them.

763. Were they not presented to the Board on the 23rd in the handwriting of Mr. Hall, and did you not believe they were the same he had previously agreed to present me on the 21st October?—Mr. Mackenzie brought them before the Board on the morning of the 23rd, and I believe them to be the same that he agreed to deliver to you on the 22nd for your examination previous to the Board meeting on the 23rd.

764. Did not the Board pass a resolution requesting Mr. Mackenzie to return the paper he had handed in previous to the investigation of the books by Burns and Bowery, and did he comply with their request?—There was such an order passed, and I wrote to Mr. Mackenzie in duplicate informing him thereof, but he did not comply with their request.

[BY MR. MACKENZIE.]

765. Mr. Merrit has just asked you whether you did not know that errors existed in the books, and whether it was not your intention to examine and correct such errors: to which you reply, that it was, but that I occupied your clerk, Beaton's time. Why did not you correct the errors (as you call them) of 1832, '33 & '34, before I came upon the canal in May 1835?—I always admitted that there were errors in the books that required correction, but had not sufficient assistance in the office to do so until Mr. Beaton was appointed, and he was so continally employed we had not time to go into them.

766. Why then did you state to the Directors in 1834, when they were prepared to employ Mr. Raincock, that you could put all to rights without them?—Because I supposed at that time it could be done, but from the pressure of business in the office it could not, and was allowed to lay over.

767. Had not two of you in the winters of 1832, 1833, 1834, and 1835, when the canal was closed, and business standing still, time enough to correct these errors and enter accounts?—There was not two persons constantly employed during the time mentioned, and there was not time enough to attend to it. I never had sufficient assistance allowed me in that office until the appointment of Mr. Beaton in October 1834.

768. When I was appointed to examine the books, and correct what was wrong, why did neither you nor Mr. Beaton shew these errors to me, and did I not ask you often enough?—Mr. Beaton was constantly employed with you in the office, Sundays and week days. Upon your motion at the Board I obtained leave of absence to visit Lower Canada—I left some time in the month of September. My time of departure was delayed in consequence of your examination of the books. Up to the period of my leaving I am not aware that you pointed out one single error in the books—The books and papers were constantly in your hands; on my return from Que-

bec on the 20th of October I found much confusion in the office, and as far as you pointed out any errors to me I readily admitted them. On the 23rd and 24th of that month the Board met, sealed up the books and accounts, and you left St. Catharines.

769. I ask you as Secretary of the Company whether for several months after I came on the Canal I entered into any examination of the books of account whatever, except such as more immediately came before the Board for adjustment?—I do not know that The books and accounts were in your possession, and you with Mr. Beaton were going on with some examination, what you were attending to I do not know. By an order of the Board you had all the documents of that office thrown open to y u—that is, only the *official* books and papers of that Company, and not Mr. Merritt's *private* papers.

770. When I had shewn the Directors, yourself, and the President, a number of improper entries and charges, and pencil marked them on the books, why did you, Messrs. Burns, Bowery, and the Directors, Mr. Thorburn excepted, declare that there were no material errors, and on the Report of Messrs. Burns and Bowery, adopted by the Board, expunge the resolutions I had moved, and declare all right?—There is an order of the Board to that effect, but I was no party to the same. I am not aware that I pointed out any errors to the examiners appointed by the Board. I did not interfere with them. They had your remarks on the books to lead them. Mr Beaton the book-keeper being in the examination with you, had it more in his power to point out errors to them than I had.

771. Acting as Secretary and Treasurer did you find these errors affect the cash in your hands? had you too much or too little at any time?—I never had too much, and very often too little.

772. When I was over at St. Catharines in Oct. last, I observed that £246 0s. 8d. expended on the St. Catharines feeder, was twice charged to the Company, which double charge has been since rectified by a corresponding entry by Messrs. Young and Hinks the accountants. But of that money I perceive £10 were paid (as it is said) to W. Anderson, in June, 1832, covered by an estimate of the 1st of August that year. There was no estimate in August, and I should like to see one; John Johnson receives an advance in August of $50 and upwards, but I can find no estimate. R. Maguire gets $50 1st of August, but there is no estimate, although your books refer to one. Again, Oliver Phelps gets an advance of £75, May 1st, on aqueduct. Was this one of the series of errors you knew of and did not feel called on to point out?—I answer this question by saying, that I have been always prepared to admit any errors in the accounts coming to my knowledge, and I have also said there was errors which were to be rectified.

773. I have understood that you sent to Messrs. Smith & Macey of Buffalo some weeks ago to obtain some vouchers, in proof of the loss of £447 17 10 by the Peacock, for which alledged loss you exhibit no voucher or detailed account—are you yet prepared to shew that items of the charge on that Company?—No satisfactory answer has as yet been received owing to Mr. Macey having gone to visit Albany. I know the charge is a correct one.

774. When you lent a sum of the Company's money, I think it was about £180 to Mr. Burns, one of your accountants, without any order of the Board, you exacted about $18 or $20 of interest thereon, but did not enter the same on the Company's books for months after nor until after I had complained of the transaction—why was this?—It was an unintentional omission—It was an express understanding that Mr. Burns should pay the interest of that sum—the principal and interest have since been accounted for to the Company by Mr. B. and no loss sustained.

775. You have been asked to produce the vouchers for the payments to Brundage for his timber, £1,340 17s., can you inform the Committee why no part of the proceeds of that timber is accounted for on the Company's books?—This was not a transaction during my time, I therefore know nothing of it.

776. In whose possession is your bond to make good defalcations? and what is the amount? and who are the securities?—The bond is in the possession of the President of the Company—the amount is £2,000, myself in £1,000, and two sureties of £500 each—the sureties are George Adams and Henry Mittleberger, Esqrs., of St. Catharines.

777. I see that you have no receipts to shew that the Captains of vessels knew, profited by, or received the sums for which you have taken credit as for detention of vessels in 1834. Why were receipts neglected that year more than other years?—I have answered that question in a former answer. The Collectors received credit on their toll returns under the authority of an order of the Board.

[Witness withdrew.]

JOHN MCALPINE CAMERON, Esq., *Book-keeper to the Canada Company, called in and examined.*

778. You were requested by the Chairman of this Committee to examine the books of the Welland Canal Company to ascertain whether the sum of £474 17s. 10d. paid by the said Company for a loss on the steamboat Peacock, and the £200 paid to J. B. Yates, Esq., were twice charged against the funds of the Company, will you have the goodness to state to the Committee the result of your examination, and the mode you pursued to arrive at your conclusion?—As my attention was only called to particular items, that were said to have been twice charged in the Journal, and in order to ascertain the effect these charges would have upon the funds of the Company, it was necessary to investigate the whole transactions for the years 1831 and 1832,—the items that were said to have been twice charged were taken credit for in the expenditure of £50,000 drawn from the United States Bank at Buffalo. I then was referred to the entries said to have been charged a second time, and to the best of my opinion I considered them only a restatement of those entries as I think will appear by the following:—

DR. CASH. CONTRA. CR.

1831		£	s.	d.	1831		£	s.	d.	£	s.	d.	£	s.	d.
June 3	To U. S. Bank at Buffalo,	2500			June 3	By am't p'd Contractors, ℔ estimates,									2500	0	0
27	To " " "	5000			27	By " " " "									5000	0	0
July 23	To " " "	1093	4	10	July 23	By " " " "									1093	4	10
Aug. 5	To " " "	1406	15	2	Aug. 5	By " " " "									1406	15	2
Sep. 6	To " " "	1150	2	2	Sep. 6	By " " " "									1150	2	2
"	To " " "	2049	4	5	"	By " " " "									2049	4	5
Oct. 11	To " " "	5437	5	2	Oct. 11	By " " Bank of U. Canada,				2157	8	2			
						By " " Salaries,				150	0	0			
						By " " Contractors, ℔ estimates,				2944	17	10			
						By " " Engineers' expenses,				68	5	0			
						By " " J. B. Yates,				55	6	9			
						By " " Contingencies,				61	7	5	5437	5	2
Nov.	To " " "	5972	19	0	Nov.	By " " Contractors, ℔ estimates,				2504	2	7			
Jan.						By " " Contingencies,				25	2	5			
						By " " Salaries,				92	10	6			
						By " " Steamboat Peacock,				22	0	3			
						By " " Forwarding comp'y,				30	5	4			
						By " " Engineers' expenses,				66	18	4			
						By " " Bank of U. Canada,				3231	19	7	5972	19	0
					1832										
4	To " " "	2677	14	6½	Jan. 4	By " " Contractors, ℔ estimates,				2543	15	11			
						By " " Engineers' expenses,				83	1	6			
						By " " Contingencies,				50	17	1½	2677	14	6½
17	To " " "	2492	13	9	17	By " " Contractors, ℔ estimates,									
						By " " Less am't unaccountably included, ℔ journal entry,	2542	13	7						
							49	19	10				2492	13	9
Feb. 13	To " " "	2926	14	0	Feb. 13	By " " Contractors, ℔ estimates,				1941	4	1			
						By " " Contingencies,				76	3	3			
						By " " Salaries,				150	0	0			
						By " " Engineers' expenses,				143	5	7			
						By " " Robert Randal,				100	0	0			
						By " " Jacob Keefer,				3	4	5½			
						By " " Steamboat Peacock,				447	17	10			
						By " " John Coulter,				7	13	3½			
						By " " Gilbert McMicking,				14	10	0			
						By " " Edward Warren,				30	5	6			
						By " " John C. Spenser,				12	10	0	2926	14	0
Mar. 10	To " " "	1957	18	2½	Mar. 10	By " " Contractors, ℔ estimates,				1936	1	1			
16	To " " "	718	1	2		By " " Contingencies,				21	17	1½	1957	18	2½
Apr. 7	To " " "	2103	1	2	16	By " " Interest,							718	1	2
					Apr. 7	By " " Contractors, ℔ estimates,				2022	10	0			
						By " " Contingencies,				80	11	2	2103	1	2
May 4	To " " "	2514	6	5	May 4	By " " Contingencies,				26	6	0			
						By " " Salaries,				50	0	0			
						By " " Contractors, ℔ estimates,				2438	0	5	2514	6	5
June 1	To " " "	1336	4	11	June 1	By " " " "				1226	6	10			
8	To " " "	1554	18	3		By " " Contingencies,				9	18	1			
16	To " " "	2300	0	0		By " " Engineers' expenses,				100	0	0	1336	4	11
Aug. 2	To " " "	2343	19	10		By " " Contractors, ℔ estimates,							1554	18	3
Sep. 15	To " " "	1406	4	3		By " " " "				2000	0	0			
16	To " " "	1058	12	9		By " " J. B. Yates,				300	0	0	2300	0	0
					Aug. 2	By " " Contractors, ℔ estimates,				2239	13	7½			
						By " " Contingencies,				45	19	6½			
	To am't received from tolls during the period of 1832,	2432	7	8¼		By " " Salaries,				58	6	8	2343	19	10
					Sep. 15	By " " Contractors, ℔ estimates,							1406	4	3
	Bal. in favor of Sec'y	41	4	0	16	By " " Interest,							1058	12	9
	Total carried forward, £	52473	11	3¼								Carried forward, £	50000	0	0

Dr. Cash.				Contra.				Cr.		
		£	s.	d.		£	s.	d.	£	s. d.
	Total brought forward, £	52473	11	8¼	Brought forward, £				50000	0 0
1831.					1832. By " " Contractors, ℔ estimates,				995	12 11
					By " " Contingencies,				78	7 4½
					By " " Salaries,				96	17 1
									1170	17 4½
					By statement of payments made. ℔ journal, p. 326,				2322	15 5¾
					From which the following sums should be deducted they being only re-stated as payments made from the tolls, and credit had been taken for them in the expenditure of the £50,000 drawn from the United States Bank at Buffalo. viz:					
					Am't p'd J. B. Yates,	300	0	0		
					" " ℔ S. Boat Peacock,	447	17	10		
					" " St. Catharines Feeder,	246	0	8		
					" " Wm. H. Merritt, £149 12 8					
					Less p'd from tolls, 28 0 0	121	12	8		
					Am't p'd John Clark, (which sum is included in the am't of £96 17 1. paid for salaries, 1 Sept, 1832.	7	10	0	1123	1 2
									1199	14 3¾
					By am't p'd W. H. Merritt, as above,				28	0 0
					By " " Thos. Merritt,				75	0 0
		52473	11	8¼					52473	11 8¼

[By Mr. Mackenzie.]

779. Have you met with the other accountants and shewn them the conclusions you arrived at, and the reasons you had for the conclusions you formed?—No.

[Witness withdrew.]

C. S. Murray, Esq., *Book-keeper to the Bank of Upper Canada, called in and examined.*

The Clerk, by order of the Committee, read to witness the evidence given by Mr. Cameron.

[By Committee.]

780. You have heard read the question put to Mr. Cameron and his answer thereto, do you concur with him in his opinion?—I agree with Mr. Cameron in every particular—having personally joined in the investigation, alluded to by Mr. C.

[Witness withdrew.]

Col. Elliott, of Sandwich, *called in and examined.*

[By Mr. Merritt.]

781. Was you not a member of the House of Assembly in 1833, and appointed a Director of the Welland Canal Company on the part of the Province, together with William Chisholm and Charles Duncombe, Esquires, and did you not enter into an arrangement with Mr. Yates for the re-purchase of the Hydraulics, and what was your motive for doing so?—I was with Messrs. Duncombe and Chisholm by a resolution of the House of Assembly appointed a Director of the Welland Canal Company during the session of 1833, and 1834. The strong feeling which appeared to prevail in the minds of a majority of the members of the House of Assembly at that time appeared to me to make it desirable that the Company should re-possess the Hydraulic power and property, which had been sold by the Company to Mr. J. B. Yates. Having been notified that a meeting would be held on the first Monday in June 1834, for taking the subject into consideration, I attended with the other Government Directors, when by an order of the Board Messrs. Chisholm, Duncombe, and myself were appointed a committee to examine and report upon the propriety of re-purchasing from the Hydraulic Company the surplus water and privileges together with the land heretofore sold by the Welland Canal Company. I refer to the original report, which I understand has been already given in, as my reasons for advising the re-purchase.

[By Mr. Mackenzie.]

782. Are you aware that although Dr. Duncombe and the other Government Directors agreed to the re-sale of the Hydraulics, it was only provisionally, in case the Assembly was content—that the Assembly never sanctioned the proceeding—and that Dr. Duncombe was chairman of the Welland Canal committee of last session, associated with Mr. Merritt and others, who recommended further inquiry before further steps were taken?—I was one of the committee appointed by the Board of Directors to report on re-purchasing the Hydraulic privileges.—At that time the Board, after receiving the report, agreed to repurchase the Hydraulic privileges, no mention was made of any reference to the Legislature—I think afterwards the President suggested it and Mr. Yates agreed, and that if not approved of by the Legislature he would return the Debentures upon the property being restored to him upon the same conditions that the Company received it from

him. With respect to the latter part of the question, I have no knowledge but from hear say.

783. Supposing that Mr. McDonell and Mr. Yates had paid nothing at all on their purchase, sold part of the lands, and kept the money, received the rents of water power on the line for years, kept possession of the great mill sites, and water power at Allanburgh, got a deed of the town plots at Gravelly Bay, and received £17,500 in bonds of the Welland Canal Company bearing interest, in order to induce them to give back the remainder of the lands and water power, would you consider it a transaction that ought to be sanctioned by the country?—The balance of the property might have been worth the purchase money, even then.

784. Wherein did the bargain of the Canal Company for the re-purchase from the Hydraulic Company of the water power and part of the lands differ from the facts assumed in the last question you have answered?—They do not differ—I will state that the re-purchase was to the advantage of the country and the company for the reasons given in our report of 7th June, 1834.

MR. KEEFER *again called and further examined.*

[BY MR. MERRITT.]

785. It appears there is a receipt produced in the hand writing of Mr. Clark, with no date attached thereto, signed as follows with a cross.

WILLIAM $\overset{\text{his}}{\underset{\text{mark.}}{\times}}$ ORDERLY,

which receipt is endorsed by you as follows—$\frac{150}{350}$—$\frac{}{500}$—and appears charged by the Secretary on 19th June, 1832—did you pay the above, and under what circumstances?—There was a certain sum of money ordered by the Board in 1832 as an advance to contractors on the new line, which sum, together with blank receipts, were sent up, of which this receipt of £100 for Orderly's signature was included—you paid a part a day or two previous leaving a statement with me—$150 to Orderly was one of the items;—when I presented the blank receipt which was in the hand writing of Mr. Clark I entered on the back the $150; also $250 balance he acknowledged having received to the $150 paid by you—I paid him the $250 balance, and took his receipt for the whole amount—It was signed with a cross in my presence, and the presence of his wife,—his name was written by myself, but the date omitted.

786. Mr. Mackenzie states Mr. Keefer, Senr. is $60 richer by his letter to Mr. Barrett in returning estimate for timber—explain this transaction to committee, and shew the effect on general estimate?—Mr. Keefer had a contract with Mr. Phelps, to furnish a certain quantity of timber for the locks at three different prices in 1825, viz:—

For Back Timber, $3½; Face do, $4; Gate do, $5.

It matters not at what price the Engineer returned the timber, as it was merely an advance on the contract, and no advantage in this case could be taken of the Company—nor in any way affect the general estimate, and Mr. Keefer could not have been a gainer by having more returned one month than another.

[BY MR. MACKENZIE.]

787. In one of your letters to Mr. Merritt you say that the same iniquitous practice of filling in logs in the Berm Bank is continued—and in your answer to question 733 that the Company will be no losers, is there not a loss where work is improperly done?—The letter I wrote is true—and I think if work is improperly done there is a loss to the Company—Those logs which I saw have been removed at the expense of the contractors.

788. Do you mean to say that nobody could be got in 1833 to take the responsibility of opening and shutting a lock at Gravelly Bay except the Pier contractor?—There was great difficulty in getting persons to attend on the canal at that time—it was immediately after the Cholera. Thomas Merritt was desired to take charge of the lock, he being the only responsible person at that place.

789. Do you know the reason why it has been found necessary to pass a law in the State of New York to prevent managers and agents on canals from being concerned in mills and machinery on the line?—I do not.

790. You express an opinion that the Welland Canal is benefitted by the Directors being concerned in mills and machinery. What is the chief purpose for which the canal was made?—To open a water communication between the two lakes. The erection of mills assists in drawing produce through the canal, and consequently increases the tolls thereon.

791. Let us see the calculation on which you have framed a reply to question 702, and tell us what particular sums you mean by advances?—I took it from the estimate book,—I took the number of yards excavated by Mr. Phelps, and the sums opposite, adding the $30,000 given up by the Company, dividing that sum by the number of yards, which produced the result I have stated.

792. Let us see the calculation and the sums, and state the order for giving up $30,000 to Mr. Phelps?—I submit a statement to the committee of the calculation required.

Statement shewing the several estimates of work done by OLIVER PHELPS, *on the Deep Cut, and the average price paid him per yard on the whole.*

DATE.	YARDS.	£	S.	D.	$	C.
June 30, - - - 1827.	35,131	1,832	3	11		
July 31, - - - - -	69.355	4.293	19	8		
August 31, - - - -	94.150	6,155	18	9		
September 30, - - -	69 639	4.666	8	11		
October 31, - - - -	49.139	3 343	17	5		
April 30, - - - 1823.	1.239	77	6	10		
May 31, - - - - -	896	56	0	0		
- - - - - - - -	27.737	2,010	18	8		
June 30, - - - - -	2,639	171	10	8		
- - - - - - - -	30.148	2,936	2	0		
July 31, - - - - -	521	36	9	5		
- - - - - - - -	6,196	433	14	5		
- - - - - - - -	33.260	2,743	19	0		
August 31, - - - -	5.074	3	0	11	0	
- - - - - - - -	4.367	327	10	6		
- - - - - - - -	17.799	1,512	13	3		
September 30, - - -	3.709	227	8	11		
- - - - - - - -	1.245	93	7	6		
- - - - - - - -	5,607	476	11	11		
November 20, - - -	5.230	470	15	1		
- - - - - - - -	4,714	392	13	1		
- - - - - - - -	2,209	187	15	4		
	179.154	32.943	5	9		
By Donaldson & Davies.	41.076	3,732	9	6		
Total..o.....	520,230					
Add am't relinquished by the Co.		7,580	1	4		
		14.260	7	7	or 177.041	52

$177041 52 ÷ 520.230 yards = 34 cents 1 cent 2 mills, the average amount paidto Mr. Phelps.

GEORGE KEEFER, JUN.

793. How do you find the answer to question 701?—I did it in the same manner I made the last. I submit the Statement as follows, viz :—

STATEMENT shewing the quantity of work done on the Deep Cut, by different Contractors, and the average price paid them per Yard.

NAMES.	YARDS.	AMOUNT. $	c.	RATE. cts.	
Hovey and Ward	623,869	133,840	05	$21\frac{54}{100}$	
John Hartwell	63,847	15,653	42	$24\frac{70}{100}$	
J. Rowley	21,821	5,029	81	$23\frac{1}{2}$	
S. R. Hathaway	11,759	13,156	65	$27\frac{5}{100}$	
Dickenson	464	83	52	18	
Love Newlove	4,805	1,363	47	$28\frac{38}{100}$	
Francis Galbraith	1,440	341	88	$23\frac{70}{100}$	
Streyker	1,739	374	75	$21\frac{55}{100}$	
Osburn	2,250	406	62	18	
Jenkins	1.588	285	84	18	
Pratt and Simpson	36,414	10,513	90	$28\frac{87}{100}$	
Vanalstine	4,885	1,216	45	$24\frac{9}{10}$	
Lory Davis	1,412	324	76	23	
Georges W. Harris	1,000	300	00	30	
David Thompson	46,328	14,520	41	$31\frac{34}{100}$	
	823,623	187,411	53	$22\frac{3}{4}$	average.
Done by Oliver Phelps	520,230	146,720	10	Including work done by Davies & Donaldson.	
	1,343,853	334,131	63		
Add amount relinquished to O. Phelps		30,320	27		
Total		364,451	90	Equal $27\frac{12}{100}$ average per yard.	

GEORGE KEEFER, Jun.

Toronto, March 10, 1836-

794. Who judged of the *absolute necessity* which you say in answer to question 700 always existed when you varied contracts?—The Engineer should have been the best judge of course.

795. What is it you call "Public Notice" of contracts in your answer to question 699? How many newspapers did you advertise in? How many hand bills did you print?—It was not always the practice to advertise in the public papers. It was conceived to be the best way to give information by sending written notices generally, throughout the line, and in all public places. All important lettings I think were advertised in the papers, and small contracts were generally given out by written or printed notices.

796. What is your authority for the statement you have made in your answer to question 693?—I have it from information, I know that errors may be supposed to exist in such cases, when in reality they do not, I have already stated to the committee in what manner errors do occur.

797. You say that the lowest proposal for the Berm Bank was, 14 cents from Thomas Merritt, and 16 from John Aikins. Did you advertise the contract in the public papers? or did you consider that an important contract?—I cannot say positively from want of recollection whether that contract was advertised in the papers or not.

798. What is the date of the order of the Board to which your answer to question No. 647 has reference?—I do not know the date, but I have it in a letter of instructions founded upon that resolution, transmitted to me by the Secretary.

799. Was the estimate of November 1832, kept open after it was approved by the Board?—I refer to my answer to question No. 697.

800. Do you mean to say that the Board passed estimates in blank of the amount of £28,000 and upwards, and then left the engineers or clerks to determine the sums without any further action of the Directors?—The estimate was not finally passed, but merely kept open until all matters relating to the new line were finally settled.

801. How do you reconcile this answer with the minutes of the Board which state that the November estimate was passed by the Board? and with the signature of the officers affixed thereto—the amount in your hand-writing being £28,483 11s. 11d.?—That is correct as far as it goes—but before there could be a final settlement of all the work on the

new line, it was necessary to keep the estimate open for some work then doing by Donaldson & Co. and the settlement with Garrison & Little. The abstract shews the total amount of the November estimate, and the additional items allowed by the Board to Donaldson and Garrison and Little.

802. Then will you refer to the order of the Board on £700 of additional charges not entered by you in the estimate book until 1835, when I was over?—I know of no such order, the original estimate contained those items.

803. As the full value of the section or contract done by Galbreath is entered on the November estimate of 1832 in detail, why have you entered several hundred pounds more to Donaldson since on that contract, although an extra £50 is allowed to Upper and the sub-contractors since paid by notes of hand out of the balance due and unpaid at that time? —The abstract shews the entire expense on the new line. I have already stated why these sums were added to the estimate.

804. When you added the November estimate and made an abstract, why did you not detect your own errors of addition. I see $100 false addition by you in one page, and other false additions, why were you not more careful before you certified, and before you allowed the Vice-President to certify?—If there are errors, they existed without my knowledge—the Secretary also examined the estimate, the abstract corrects any error that may have been made so that the Company have not sustained any loss thereby.

805. Referring you to the answer you have given to question No. 721, where you deny one of my statements in Charge 13, I now beg to remind you that on the 4th of June last you were examined by Mr. Thorburn and myself, as follows:

"What articles of the Company's did Thomas Merritt & Co. "take at Port Colborne at a fair valuation in pursuance of their "contract of September, 1832?" Mr. Keefer read a list of articles from a memorandum book, and was then asked—"Did "Thomas Merritt & Co. complete the contract at the time spe- "cified?" Ans. "They did not—they were dispossessed—they "gave up—and Thos. Merritt took it alone, and the time was "extended under the same contract."

Have you since found reason to change these answers?—If I gave such evidence, it was not correct —I said Garrison and Little did not fail, at the examination you refer to—The Pier contract was not finished at that time.

806. Shew by the books that the system first adopted by keeping contractors' accounts in detail has been kept up?—I refer to the Secretary for that information.

807. When was the special meeting held at Gravelly Bay at which Mr. Merritt was authorised as Secretary to sign the contract of Thomas Merritt and others, without using the seal of the Company or the signature of the President?—The 20th September, 1832.

808. Your father's timber appears to have been given in by Phelps monthly to the Company, and Mr. Barrett the engineer enters the timber at a higher price than your father estimated, he being then a member of the Board. I perceive that in consequence of these monthly statements, Phelps got between $3,000 and $4,000 for locks contracted for at $2,200—Can you explain this?—My father was accountable to Mr. Phelps only, for the timber, and was governed by the contract with him.

[Witness withdrew.]

THURSDAY, *5th April*, 1836.

Committee met.

PRESENT:

JAMES EDWARD SMALL, Esquire, *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—8.

Mr. Mackenzie proceeded in summoning up the evidence adduced in support of his charges against the officers of the Welland Canal Company and concluded.

Doors closed.

Doors opened.

Adjourned till 5 P. M. this day.

At 5 o'clock, P. M. the Committee met pursuant to adjournment.

PRESENT.

JAMES EDWARD SMALL, ESQ. *Chairman.*

Messieurs Chisholm,
Gibson,
McDonell,
Parke,
Shaver,
Sol. General, and
Thorburn—8.

The chairman reported having received a communication from Messrs. Cameron and Murray, which was read by the clerk and is as follows:

TORONTO, *April* 2nd, 1836.

To the Chairman of the Committee on the Welland Canal Affairs.

SIR:

In compliance with the following letter which you were pleased to have addressed to us, viz:

"COMMITTEE ROOM, HOUSE OF ASSEMBLY,
"*March* 13th, 1836.

"SIR:

"I am directed, by the Committee appointed to investigate the affairs of the Welland Canal Company, and request you will have the goodness to give them your attendance this afternoon, at 4 o'clock, for a few moments, as a dispute has arisen between the book-keepers upon the subject of an item of £700, upon which they desire to have your opinion.

"I have the honor to be
"Your obedient servant,
"JAMES E. SMALL,
"*Chairman.*"

And on the question being submitted to us, whether the sum of £447 17 10, paid for a loss on the charter of the Steam Boat Peacock, and a sum of £300, paid J. B. Yates, Esq., as stated in the journal of the Welland Canal Company, had the effect of being taken credit for twice in the expenditure of the funds of the

Welland Canal Company, or not, we, in order to ascertain the fact, took into consideration the whole amount of funds which the Welland Canal Company had during the period of 1831 and 2, comprised in the sum of £50,000 drawn from the United States Branch Bank at Buffalo, and the sum of £2,432 7 8, received for tolls during said period, and, upon a minute investigation of the expenditure of said sums, we had the opportunity of seeing clearly the entries in the Journal were not intended to have the effect of a double charge upon the funds of the Company, but only a statement to shew the appropriation of the tolls only, and the error committed was in giving said statement the form of a Journal entry, because were it otherwise, if the sums in said statement were contended for by the officers of the Welland Canal Co. as items of expenditure for which they were entitled to credit the amount of such entries, would be not only £747 17s. 10d., but £1,123 1s. 2d., which sum we found necessary to deduct from the amount so stated as having been expended from the tolls as the items comprising said amount of £1,123 1s. 2d. had been paid from the £50 000 received from the United States Branch Bank at Buffalo, which upon reference to the cash account drawn up by us of the receipts and expenditure during the period of 1831 and 1832, and submitted to the Committee, will shew, and we most decidedly give it as our opinion, that no defalcation on the part of the officers of the Welland Canal Company exists for the expenditures of monies in their hands during said period of 1831 and 1832. But on the contrary there appears to be a balance due the Secretary of £41 4s; and should Messrs. Hinks and Young still persist in their being a defalcation upon the whole transactions of the Company, we are of opinion that they should submit a statement of the items in which they are led to suppose the defalcation exists, and we shall be most happy, so far as may be in our power, to give it due consideration for the sake of all concerned, for it would be grievous indeed to have any person saddled with the operation which mistaken entries would effect, and this, our opinion, we most respectfully submit.

We have the honor to be,
Sir,
Your most obdt. servants,
JOHN M. A. CAMERON.
C. S. MURRAY.

The Chairman reported having also received a communication from Mr. Clark, Secretary, W. C. C. which was read by the Clerk, and is as follows :—

COMMITTEE ROOM, HOUSE OF ASSEMBLY,
April 4th, 1836.

To the Honorable the Committee on the affairs of the Welland Canal Company.

GENTLEMEN :

You are informed by my evidence, taken before your honorable committee, that I have given two responsible sureties, who are liable for any defalcation of the funds of the Welland Canal Company passing through my hands, as Secretary of the Company.

Your honorable committee appointed two gentlemen, Messrs. Hincks and Young, to examine the books of the Company upon Mr. Mackenzie's charges against the officers:—these gentlemen state to question, put by Mr. Mackenzie, No. 330. that the sum of £300. paid to Mr. Yates, and the sum of £447 17 10. for a loss on the Steamer Peacock, are twice charged against the funds of the Company.

In my answer to questions Nos. 478 and 525 put by Mr. Mackenzie, I deny that the sum of £447 17s. 10d. to the Peacock, and £300 paid to J. B. Yates, Esq, are twice charged against the funds of the Company—My reasons for forming this opinion were from my own personal knowledge, that those sums were in the first instance paid out of £50,000 received from the U. S. Bank Buffalo—being a loan from the government—and which the Company were prohibited by an act of the legislature from spending otherwise than for the purpose of the canal—In consequence the amount so taken for the Peacock and Mr. Yates was made good in the expenditure of the £50,000 from the toll fund of 1832—and those items £447 17s. 10d. and £300 was charged against the tolls of that year.

Those items of £447 17s. 10d. and £300, having been made a question between your accountants Messrs. Hincks and Young and those charged with the defalcation—Your Honorable Committee promptly referred the question thus at issue to the examination of Messrs. Cameron and Murray, accountants employed in the Canada Company's Office and Bank of Upper Canada—after a careful examination of this matter those gentlemen presented a report to your committee which corroborates my testimony on your records and herein referred to, that those sums of £447 17s. 10d. and £300, are not twice charged against the funds of the Company—as would appear by Mr. Hinck's evidence to be included in the sum of £1000 for sums twice charged to the Company, or for which credit had been improperly taken by the officers—see question No. 686.

My object in presenting this statement to your honorable Committee is to request that if you are not perfectly satisfied that the sums alluded to have been only once charged against the funds of the Welland Canal Company—That in justice to myself and sureties your honorable committee will suspend any opinion on the subject until an opportunity is afforded me of a further investigation, as I feel confident that notwithstanding the irregularities of entries and errors always admitted by me, there exists no defalcation of the funds of the Company in so far as I may have been entrusted with their expenditure. I have further to state that one of your accountants, Mr. Young, repeatedly informed me that on an examination, if the sums of £447 17s. 10d. and £300 were not found twice charged against the funds of the Company, it would reduce the balance said to be unaccounted for as those sums were included in that balance of £1000 for sums twice charged against the Company, or for which credit had been improperly taken by the officers.

I am very respectfully,
Gentlemen,
Your obedient and humble servant,
JOHN CLARK,
Sec'y W. C. C.

MR. HINCKS *again called and further examined.*

[BY COMMITTEE.]

809. Have you any thing to offer to this committee in connexion with the evidence and statement given in by Messrs. Murray and Cameron?—Messrs. Murray and Cameron state that the £300 paid J. B. Yates, and £447 17 10 loss on Peacock, are not twice charged on the Company's books, and to prove this they submit a statement accounting for the £50,000 received from the United States Bank and the toll of that year, amounting to £2452 7 8¼. Their statement professes to be a correct statement of the way the monies in question should be entered, but it is certainly not the way they are entered on the Company's book—I submit the following statement [No. 1.] of the way the entries are made on the Company's books, by which it will appear, that the entries above mentioned were made twice, although the toll accounts, as it appears, were also credited twice over with the debts, and the £1170 17 4½ paid in 1832. This of course would, as the books stood, have prevented the double charge being any gain to the officers, as they overcharged themselves on the other side, and that is evidently the view Messrs. Murray and Cameron take of the entry—I have put in the above statement and made the above remarks to shew that I am correct in saying the sums are twice charged and legerised, although as those gentlemen state it cannot be a defalcation. I now proceed to shew the effect the entries mentioned had upon the books. Mr. Young and myself took the same view that Messrs. Murray and Cameron have done of the toll entry, and conceived it was necessary to make a cash account to shew the proper result. We told this to Mr. Beaton, and he was present and assisted us in making them. We accordingly debited cash with the whole amount stated to have been collected deducting the £1170 17 4½ and the £500 14 5¾

before at the credit of toll charging cash with £760 15 10. We then proceeded to credit cash with the payments, and here we looked to the gross amount stated in the entries at the end of 1835, Journal 234, and credited cash with the sum of £1569 11 11¾, which, as appears by Messrs. Murray and Cameron's own statement is £76713 1¾ more than was paid, or indeed than they had funds to pay—for I admit that the statement put in is correct, and that all their money in that year appears to have been expended; I shall now state to the committee the effect of this over credit:—In our appendix the cash account is debited with sundry sums which the officers had to account for—say the Grand River money and other smaller sums, as will appear by a reference to the account; now by our *crediting* cash with the above sum it turned the balance in favor of the officers in our original statement. In our investigation into the account afterwards we found that by the above sums being charged improperly on the Company's books a second time in December 1835, we had given the officers twice credit for them, and that consequently we must deduct the difference between what we had over credited them in consequence of their improper entry and the amount really expended, in which we agree with Messrs Murray and Cameron. The following statement [No. 2.] shews the correct cash account of the toll of 1832, and it will be found to agree with Messrs. Murray and Cameron's statement, after deducting both from the receipt and expenditure £500 14 5¾ which is the amount of debts for toll, and which these gentlemen erroneously included in the expenditure. The committee will thus perceive clearly that the balance against the officers, and unaccounted for, remains precisely as we before stated.

STATEMENT No. 1.

DR. TOLL. CR.

	£	s.	d.		£	s.	d.
To amount at debit for Yates, Peacock, and St. Catharines Feeder per journal and ledger,	993	13	6	By sundry individuals, per cash journal and ledger, folio —,	1170	17	4½
To amount allowed Randal, ledger 339,	5	15	1¾	By this amount, at debit of sundry individuals, being toll not paid in; cash journal, folio —, and ledger, folio —,	500	14	5¾
To this amount, in journal, folio 324, and leger, folio 176, being in full for payments made out of toll and in which the Peacock and Yates' entry are repeated,	2322	15	5¾	By this amount, as stated in journal, folio —, and also in ledger, folio —, being the whole amount of tolls,	2432	7	9¼
To allowed sundry Schooners, in ledger, 339	32	12	11½				
£	3355	2	1		4103	19	6½

STATEMENT No. 2.

DR. CASH. CR.

	£	s.	d.		£	s.	d.
To the full amount collected in 1832. as per toll-books, £2432 7 8¼				By the amount paid sundry individuals, as per journal, folio 205,	1170	17	4½
To less amount of debts not paid in cash, 500 14 5¾	1931	13	2½	By the following real payments out of toll, as per cash journal, per —, in which Messrs. Murray and Cameron agree with me—the £500 odd, of debts deducted on the other side, being also deducted on this side,	801	19	10
To balance,	41	4	0				
£	1972	17	2½	£	1972	17	2½

810. After the examination you have made of the books of the Welland Canal Company, can you state with any degree of certainty whether there is a defalcation on the part of the officers, and if so to what amount, or might not any apparent defalcation at present be satisfactorily accounted for upon a general investigation of the several accounts of the Company, and if so, how long would it take you with another accountant to go through the entries of the Company from the commencement of their operations?—I have no doubt, from my examination of the books of the Welland Canal Company, that there are defalcations the particulars of which are fully stated in a paper which I here put in [marked A.] It is possible that these defalcations might be accounted for, but it would only be by finding new mistakes, or sums paid which have not been charged. To examine the books in such a way as to arrive at any thing like truth would in my opinion take many months, and from the incorrect way in which they have been kept I do not think it would be possible ever to come to a satisfactory conclusion on them. The items of which the defalcations are composed are all either sums charged twice, or improper credits allowed, or sums paid to persons and not charged to them.

A.

STATEMENT OF THE ITEMS OF DEFALCATION.

The amount unaccounted for on the General Cash Account—*(See statement hereto appended No. 1,)*—is.....	£ 378 0 5½	
do. do. on the toll and forwarding of 1830 and '31, *(Do. No. 2,)*.....	273 0 11	
do. do. on do. do. 1832 *(Do. No. 3,)*.....	124 5 10½	
do. do. on do. do. 1833 *(Do. No. 4,)*.....	25 10 6½	
In all unaccounted for.....£		800 17 9½
Over charges and over credits—*(See Statement No. 5.)*.....		560 16 1
From which is deducted £76 8s. 6d. of Campbell, which has been paid under an order of the Board, although there is no satisfactory reason why it should be. Also £23 15s. which Mr. Black has been able to explain. Besides these sums there are others at the debit of individuals amounting to—*(See Statement No. 6,)*.... which sums were not charged to them before December, 1335.		362 17 2
In all, the loss which the Company appears to have suffered is.....		1724 11 0½
Since my last evidence was given the Officers of the Company have found out in a Petty Leger, sundry sums which appear to have been paid and not charged:		
For sundry claims.....£97 10 3		
For which are no Vouchers,		
Short credited to cash..... 80 11 3		
Paid to persons not charged..... 88 4 6		
		266 6 0
This sum should be deducted from the balance on the general cash account of.....		378 0 5½
as it has nothing to do with tolls—which leaves the actual balance now unaccounted for by the Officers of the Company on the general cash account.....£		111 14 5½

No. 1.

DR. CASH. CR.

	£ s. d.		£ s. d.
To Grand River money.....	579 12 3	Amount short credited Secretary.....	86 7 0
To error, cash journal 132.....	0 10 0	Charged to Donaldson.....	64 8 5½
To this amount at credit Mr. Merritt.....	4 10 2½	For this amount at debit of McDonell.....	50 0 0
To do. at do. St. John.....	3 3 3	do. do. Mr. Merritt.....	15 5 0
To do. at do. do.	2 13 2	do. do. Sundries.....	7 8 3
To sundries per Appendix 6.....	210 13 10	do. do. McDonell.....	30 11 3
To do. Donaldson.....	36 18 7	do. do. Lewis & Co.....	3 1 5½
To do. Cooper.....	5 8 9	do. see cash journal 239.....	25 0 0
To do. at credit of O. Phelps.....	95 10 4	For sundries per Appendix and cash account...	146 19 11
To contingencies.....	1 3 11	For these amounts short credited to McEvoy and Newlove.....	37 15 7
To Butler's expenses.....	3 15 0	By interest paid and not charged.....	89 0 3
To Elliott's do.	6 7 6	By balance.....	499 13 1½
To Keefer's do.	3 13 3	£	1055 10 3½
To Int. do.	31 5 0		
To Yates' Pamphlets.....	19 1 3	By W. H. Merritt.....	121 12 8
To Thomas McChesney.....	45 17 6	By balance.....	378 0 5½
To Calbraith.....	5 6 6	£	499 13 1½
	1055 10 3½		
To balance.....	499 13 1½		
To Balance.....	378 0 5½		
To toll 1831—No. 2.....	273 0 11		
To toll 1832—No. 3.....	124 5 10½		
To toll 1833—No. 4.....	25 10 6½		
£	800 17 9		

No. 2.

DR. TOLL—1831. CR.

	£		£ s. d.
To this amount as per Journal.....	1956 13 7½	By amounts paid per old leger.....	281 12 11
To do. debts due.....	565 16 1	By sundry debts.....	565 16 1
To do. being balance toll and forwarding	1085 0 0	By sundry payments per journal.....	1655 11 10
		By sundry additional credits as shewn by Mr. Clark in a paper furnished by him.....	831 12 11
£	3607 14 8½	By balance.....	273 0 11
To balance.....£	273 0 12		3607 14 8½

No. 3.

DR. TOLL, 1832, AS CASH. CR.

	£	s.	d.		£	s.	d.
To receipts,	2432	7	8¼	By sundry debts,	500	14	5
To error in addition,	1	17	9½	By sundry payments,	1170	17	4½
				By sundry payments charged in journal, folio 323, for which the officers are entitled to credit,	562	18	11
				By this amount paid Mr. Merritt.	28	0	0
				By this paid Thomas Merritt,	75	0	0
				By balance,	96	14	8½
	2434	5	5¾	£	2434	5	5¾
To balance,	96	14	9½				
To endorsement on note,	10	10	0				
To Schooner Cartwright,	17	1	2				
£	124	5	10½				

No. 4.

DR, TOLL, 1833. CR.

	£	s.	d.		£	s.	d.
To receipts,	3618	1	7¾	Sundries,	3592	11	1¼
					25	10	6½
£	3618	1	7¾	£	3618	1	7¾
To balance,	25	10	6½				

No. 5.

OVER-CHARGES AND OVER-CREDITS.

	£	s.	d.		£	s.	d.
Johnson Orr,	16	0	0	Brought forward, £	297	6	1
Erie and Ontario,	10	6	8				
Peacock,	81	3	1	Orderly,	132	18	9
Mr. Merritt's extra salary,	39	7	1	Constantine,	3	19	4
Sinclair over-credit,	6	8	9	Donaldson,	52	18	10
Thomas Merritt,	11	6	6	Smith	15	5	0
Toyne & Co.,	24	1	0	O. Phelps,	2	6	7
Daly & Co.,	11	19	6	Sloan,	50	0	0
Mr. Merritt's over-credit for salary,	39	0	0	£	560	16	1
Clark's do do	7	10	0				
Carried forward, £	297	6	1				

No. 6.

SUMS *for which cash has got credit, and which were not before charged to the parties, till December,* 1835.

	£	s.	d.
William Hamilton Merritt,	149	12	8
Thomas Merritt,	75	0	0
Do do erasure,	50	0	0
Do do do	51	4	6
John Donaldson,	37	0	0
£	362	17	2

No. 7.

	£	s.	d.
Amount paid to different persons and not charged, their estimates being short-credited,	80	11	3
" " Merritt and Donaldson and not charged,	88	4	6
" " claims and not charged,	97	10	3
£	266	6	0

CASH.

Dr.	£	s.	d.					Cr.	£	s.	d.
To this sum over-charged to Johnson Orr—*See old leger* 283	16	0	0	By sundry credits taken by Mr. Clark as paid out of forwarding as appears by his account	£2520	12	0				
To this sum which should be at the credit of O. Phelps	95	10	4	Less errors as per account	35	1	2				
To this amount, being the balance between the sum credited cash in our account for sundries, and the sum which ought to be credited	£1494	12	11		£2485	10	11				
	712	11	7	Less already credited	1653	17	11				
	782	1	4					By Scott & McEvoy	831	12	11
To toll for error in summing up	1	17	9½					By Newlove	2	10	0
To toll for the balance to make up the forwarding, already entered	£1956	18	7						35	5	7
	565	16	1								
	1085	0	0								
And now											
To schooner Cartwright, this amount placed by us in error to credit of cash in our Appendix	10	0	0								
To Contingencies—*P. 5*	1	3	11								
To Butler's expenses	3	15	0								
To Elliot's expenses	6	7	6								
To Thos. M'Chesney	45	17	6								
To Calbraith	5	6	6								
To Erie and Ontario	10	6	8								
To Peacock	81	8	1								
To Contingences	3	13	3								
To Interest	31	5	0								
To Merritt, extra salary	89	7	1								
Yates' Pamphlets	21	13	9	By interest paid cash journal 288, *see our mem. book, page* 13					89	0	3
£	2290	13	8½					£	958	8	9

OVER-CREDITS.

	£	s.	d.		£	s.	d.
John Sinclair	6	8	9	Brought forward	396	14	8
Thomas Merritt	11	6	6	Merritt's over-credit for salary	39	0	0
Boyle	18	2	9	Clark's over salary	7	10	0
Toyne & Co.	24	1	0	Orderly—no voucher	132	18	9
Thomas Merritt, not before entered	75	0	0	Constantine	3	19	4
W. H. Merritt	149	12	8	Donaldson	58	18	10
Schooner Cartwright, advance	0	0	0	Thomas Merritt	50	0	0
Daly & Co.—223	11	19	6	Smith—second credit	15	5	0
Robert Campbell—over credit	76	8	6	O. Phelps	2	6	7
Erie and Ontario—page 328	0	0	0				
Contingencies—short credited page 6	23	15	0	£	734	1	0
Carried forward £	396	14	8				

ENTRIES FOR WHICH THERE ARE NO VOUCHERS

	£	s.	d.		£	s.	d.
Smith debit to contingencies—Journal p. 244	0	0	0	Pet. charged to Prosperity	11	0	6
Orson Phelps	0	0	0	Salaries to Engineers	25	0	0
Toll entries Boat and Stone	89	0	7	Sloan (improper credit)	50	0	0
Damage on Tobacco, &c.	79	4	1	David Price	110	15	6
Kenneth Reach	12	9	3	Donaldson, second estimate	2	0	0

UNDER-CREDITS.	£	s.	d.
Murray & White,	4	11	2
Price & Fagan,	1	2	10
H. Quin,	4	5	0
Constantine,	3	19	4
Craig & Boyle,	1	5	0
McGraw,	1	12	3
McChesney,	1	5	0
Love Newlove,	37	5	7*
Orderly,	0	10	0
Monson & Camp,	17	14	9
Scott & McEvoy,	2	10	0†
Buchanan,	11	11	3
McMurray,	1	5	0
Robb,			
Calaghan,	17	10	0‡
Vanderburg,	8	0	0
Attwood,	1	0	0
Davenport,	3	12	9
Armington,	1	1	11
William Looney,	0	5	0
£	118	6	10
Already credited in our account,	35	5	7
	83	1	3
	2	10	0
£	80	11	3

OVER-CREDITS.	£	s.	d.
Thomas Merritt,	11	6	6
Donaldson,	18	18	10
Orr,	13	8	0
Robb,	1	8	3
£	85	1	7

* Already to credit, cash.
† Quere—Is it in our cash?—Yes.
‡ And £7 10s. charged to toll instead of Calahgan.

SUMS PAID PER PETTY LEDGER, AND NOT CHARGED.

	£	s.	d.
Paid Thomas Merritt,	51	4	6
Paid sundry claims, per petty cash book, June 11th, 1832,	97	12	0

SUMS PAID FOR ESTIMATES NOT ENTERED.

	£	s.	d.
Murray and White,	4	11	2
Price and Fagan,	1	2	10
Hugh Quin,	4	5	0
L. A. Constantine,	3	19	4
Craig and Boyle,	1	5	0
McGraw,	1	12	3
McChesney,	1	5	0
Orderly,	0	10	0
Monson and Camp,	17	14	9
Robert Buchanan,	11	11	3
William Murray,	1	5	0
N. Robb,	0	0	0
Carried forward,	49	1	7

	£	s.	d.
Brought forward,	49	1	7
John Calahan,	17	10	0
John Vanderburgh,	8	0	0
John Attwood,	1	0	0
D. Davenport,	3	12	9
Armington,	1	1	11
Looney,	0	5	0
	83	13	0
	3	1	9
	80	11	3

OVER-CREDITS.	£	s.	d.
Johnson Orr,	13	8	0
Merritt's,	11	6	6
Donaldson,	58	18	10
Daly,	11	19	6
	95	12	10

CLAIMS.	£	s.	d.
Shotwell,	1	5	0
Carl,	5	0	0
Burns,	1	15	0
Robert Brown,	44	12	3
Jos. Berger,	45	0	0
	97	10	3

	£	s.	d.
Thomas Merritt,	51	4	6
John Donaldson,	37	0	0
	88	4	6

811. Have you examined all accounts on the books of the Company to ascertain their correctness, or have you only particularly examined those accounts pointed out to you by Mr. Mackenzie, and have you so come to your conclusions without going into a general examination of the accounts? I of course presumed all the entries on the books to be correct, and was only appointed to attend Mr. Mackenzie, I therefore only examined as to the correctness of such accounts as he pointed out. One of the officers of the Company was generally present at our investigations—many errors were found which were in favor of the officers of the Company, for all of which we gave them credit.

812. Is it your opinion that the books of the company have been kept in a manner that would lead you to suppose any fraud was intended by the officers in charge?—I certainly do not suppose that the books were kept with intent to fraud, I think the errors were caused from the book-keepers not being thoroughly versed in accounts, particularly during the year 1833.

813. Can you state that any defalcation exists in the time of Mr. Black or Mr. Clark?—I think it almost impossible to separate the transactions of the different Secretaries—the toll account of 1830 and 1831 is the only account which I could say decidedly Mr. Clark was responsible to account for.

814. Have the officers of the Company ever attempted to influence your decisions on the accounts?—No.

815. Is there any other item except £95 10 4 on the account of Mr. Phelps which has not been properly accounted for by Mr. Black prior to 1830?—I think not.

816. In your answer to question No. 357 a case is stated—(assuming salaries are regularly paid) as you have seen the manner in which the account was kept and entries made—do you think that answer properly applies to the case of Mr. Merritt?—I do not think from the way Mr. Merritt's account appears to have been kept in the petty Leger, that my answer to the question alluded to, at all applies to him.

[Witness withdrew.]

William Hamilton Merritt, Esquire, M. P. *President of the Welland Canal Company, called in and examined.*

[By Committee.]

817. Did you ever pay Orderly more than £12 10s, and if so did you take receipts for the monies so paid him?—I paid him besides the £12 10s $100, left a statement of it with Mr. Keefer, the Engineer, and requested him to pay the remainder, to the amount of £100, and to take his receipt, which he did (as he received from Mr. Clark in the Canal office in blank,) and regularly obtained his (Orderly's) acknowledgment for the whole amount, as per his receipt, which has been produced to the committee by the Secretary of the Company.

[Witness withdrew.]

Mr. Hincks *again called and further examined*

[By Committee.]

818. Did you as the Book-keeper appointed by this committee examined all accounts required of you as well on the part of any of the officers of the Company as on the part of Mr. Mackenzie?—I proffered a willingness to examine any accounts in which the officers had found an error, with a view to ascertain its correctness, but I did not attempt to go into a general investigation.

[Witness withdrew]

Mr. Merritt *again called and further examined.*

[By Committee.]

819. Do you think if more time were allowed the officers of the Company they could produce other evidence than that given in the account for the apparent deficiency of £1458?—I understand from the Secretary and Book-keeper of the Company that a part of the sum which composes this deficiency is now properly charged to individuals, and that only £534 is now apparently made to stand against the officers of the Company—I feel perfectly satisfied and quite sure that on a further and more general investigation, the whole can be properly accounted for by them.

[Witness withdrew.]

Mr. Hincks *again called, and further examined.*

[By Committee.]

820. Can you, from the manner in which the Books of the Company have been kept, impute fraud to any one connected therewith?—I have already stated that I really do not think that any fraudulent intent can attach itself to any individual connected with the Books of the Company.

[Witness withdrew.]

Mr. Young *again called, and further examined.*

[By Committee.]

821. You have heard the last question put to Mr. Hincks, do you concur in his answer?—I do most unhesitatingly.

[Witness withdrew]

The Chairman reported having received a communication from William B. Robinson, Esquire, M. P., which was read by the Clerk, and is as follows:—

House of Assembly,
Toronto, 29th March, 1836.

James E. Small, Esq.,
Chairman Welland Canal Committee,

Sir,

In reply to the various charges made to your Committee by W. L. Mackenzie, Esq. in relation to my accounts and vouchers for the expenditure of the sum of £7,500, intrusted by the Legislature to Messrs McAulay, Shade, and myself, I beg to make the following statement:

In the first place, I wish it to be clearly understood that the whole management of the Welland Canal for the year 1833, so far as putting it in repair, was by the Company thrown on the three Commissioners above named; and subsequently by them upon myself, it appearing absolutely necessary, that one of their number should immediately after appointment repair to the Canal, and personally superintend the work in progress, in order that the first wish of the Legislature should be complied with, which was to have the Canal in order for navigation and use by the earliest possible period. I agreed to take upon myself the arduous duty, and superintend the repairs and expenditure of the money for such remuneration as might be thought adequate and reasonable; having done this, my fellowCommissioners of course were relieved from *all, except* occasional attendance, as to the repairs, and I consider totally as regards the expenditure of the money. I will here beg leave to draw the attention of the Committee to the situation in which I found myself placed:—Upon visiting the Canal in February with Mr. Shade we commenced at Port Dalhousie, and from that place carefully examined every part of the Canal to Gravelly Bay and Dunnville, taking a memorandum of the necessary work to be done on both routes. On our return to St. Catharines we entered into contracts where necessary, for various repairs—some of the most extensive had already been commenced by the Company before the commission to us issued—continuing them in the hands of the *same* contractors gave me much trouble in keeping the accounts, and caused some of the errors in them.

The Committee will, I am sure, readily acknowledge that the duty thus devolving on me was one of great importance and anxiety—I was there a stranger to the business I had undertaken, with all the responsibility of having the Canal in repair early, resting upon myself—all persons applying to the Company for information on this head, were referred to me, and I soon became aware, from the number and earnestness of these applications of the necessity of using every possible exertion on my part not to disappoint public expectation—how far I succeeded the Report of the Commissioners made at the close of the season, which I herewith transmit,* will shew. I have the satisfaction of knowing that I succeeded far beyond the expectations of many who visited the Canal, and were capable of judging; and I would here remark that I received at all times every assistance from the President of the Company, Mr. Merritt, whose long experience enabled him to give advice which I found truly serviceable. I have already verbally stated to the Committee that I found it absolutely necessary, in order to expedite the work, to carry money constantly with me, which I paid out at all times, and in all places where I met those to whom it was due; had I not done this, they must have left their work and gone to the office at St. Catharines, a distance of from 3 to 30 or 40 miles, thereby causing much delay. I was obliged to make advances and pay the men more frequently from the fact that they had received no payment from the Company for many months before, under these circumstances it is evident I could not keep my accounts or take vouchers in so clear and satisfactory a manner as I could wish. During the whole period of my attendance at the Canal I was actively employed superintending in person the various works and repairs in progress seldom having even an hour to spare for the office, indeed such was my anxiety to advance the work that I kept parties of men employed on the most important points, on Sundays and also during the night. The Canal was open and in use *early* in *May*—but much remained to be done during the summer and autumn, repairing accidents and completing various extensive improvements at the Grand River Dam, and Gravelly Bay, so that during all this time I had little leisure to be in the office. At the close of the navigation in the fall, and after the money entrusted to me had been expended, I was forced by my own business to return home, instead of remaining at St. Catharines to make up my accounts.—On endeavoring to do so *at home*, I found many things requiring explanation that could only be set right by reference to persons on various parts of the Canal, this I found inconvenient to do, and put it off from time to time, much longer I am aware than I should have done. This is all I can say in reply to the charge of my not having furnished my accounts at an earlier period. I do not for a moment desire to take any advantage of the Act of Parliament under which I discharged my duty as a commissioner, from the fact that it does *not require us to account at all* to any one—this your committee will ascertain to be the case on reference to the act itself. My having laid before *Mr. Mackenzie* all my *original vouchers and documents* fully proves that I desired to conceal nothing.

When Mr. Mackenzie was at St. Catharines last October I received a letter from him stating that my accounts required explanation, and that he wished me to come over and give it. I repaired accordingly to the office there, and went over the accounts with Mr. Mackenzie; he pointed out to me several errors, which I explained as well as I could at the time; he stated to me that he would soon report to his colleagues (the other Government Directors) upon them, and that I should have a copy of his report;—I was also promised this by Mr. Merritt, and fully expected to receive it in time to enable me to visit the Canal before the navigation closed, in order to see the different persons necessary to explain the apparent errors in charges relating to them. Mr. Merritt's reply to Mr. Mackenzie's charge (No. 21) will corroborate what I have here stated. It is well known to your committee that I did not receive a copy of the Report until very lately, and how far it was proper for Mr. Mackenzie to publish to the world his charges against me, *in the manner he did*, under *such circumstances*, is for the committee to determine.

As I cannot, for the reasons just stated, give a full and satisfactory answer to Mr. Mackenzie's questions, and as an opportunity *will be* afforded me for doing so, I will not now attempt it further than to notice some of the leading ones.

It is for the Committee to judge whether the salary paid me while at the Canal was unreasonable—it must be remembered that I had to keep a horse all the time I was there.

In regard to my having taken vouchers signed with a cross and not witnessed, I do not deny having done so in numerous cases—often when I could not obtain a witness, and not unfrequently when I might have done so;—the same course had been pursued at the Canal office before.

With respect to the receipt, which appears to have been altered from £8 10s to £18 10s, I cannot recollect how it came to be so but will use every means to discover how it happened.

There seems to be £300 not properly accounted for—this sum is *principally* made up from a deficiency in Rose's and Vanderburgh's vouchers; I am very certain that both these persons did more work than their accounts exhibit, and by seeing them I hope to make it appear so.

I will merely add that I shall take an early opportunity of visiting the Canal, and inquiring into the defects in Mr. Farnsworth's and other accounts—holding myself liable, of course, for any deficiency that may appear after the most minute and careful inquiry.

All which is respectfully submitted.

W. B. ROBINSON,

*(For Report of Commissioners, see Appendix to Mr. Merritt's remarks on Canal management during the year 1833, marked No. 2.)

The Chairman reported a communication from Mr. Merritt, addressed to the Committee, embodying sundry documentary evidences, which was read by the Clerk, and is as follows:—

TORONTO, *March* 29, 1836.

To the Committee appointed by the House of Assembly to investigate the affairs of the Welland Canal Company.

GENTLEMEN,

Charges of the most serious and important nature having been made against the Directors of this Company, their officers and servants, not only implicating their character, but imputing designs and motives, which, if true, would render them unfit or incapable of being trusted with any future confidence. Those charges are so framed as to embrace every possible crime. The prominent features are fraud, deception, mismanagement, secrecy, favouritism, &c. &c., supported by inferences and misrepresentation throughout, without one single act of commendation.

Without entering into an investigation of the motives which may have induced the individual to bring forward those charges, I feel it incumbent on me, in behalf of the Directors, Stockholders, and all concerned in that Company, to lay before this Committee, a detailed statement of the transactions of each year, as they actually occurred, which must at least remove any suspicion of their being actuated by any motive requiring secrecy.

Remarks on the management of the Welland Canal, 1823 *and* 1824.

With this view I purpose submitting the following documentary evidence of the proceedings of this Company, as our accuser asserts this project was entertained as early as 1818, and the following proceedings, &c., were made thereon.—(See proceedings, &c. marked No. 1)

This brings up to the close of 1824, in which year, on the 30th of Nov. St. Andrew's Day, the ground was first broken, and the work actually commenced. And as a proof how little this subject had attracted public enterprise at the time, not half a dozen gentlemen of capital or influence in the District attended this ceremony, by which it will be seen we are not chargeable for want of energy, exertion or attention, and it may not be amiss to add, that Mr. Tibbett, the Engineer, was brought over from surveying the route from Manchester to Lewiston, which shews we are not altogether behind our neighbours in this particular enterprise. The minutes of the proceedings of this year are hereto appended, (marked no 2.) as well as the report of the Directors for 1834, (marked No. 3.

The charges preferred, up to this period are, not having obtained over £18 15s.—but in truth, there was not as much received as paid the Engineer or Surveyors, (*See original subscription list hereto appended, marked No.* 4,) also fraud and deception on the part of the Directors, in admitting their agent to allow Mr. Buchanan, of New York, to subscribe 40 shares, which he did not pay, thereby entrapping Stockholders, although an Act was passed April 13, 1825, a few months after, allowing all persons to withdraw, when the same individuals, and others, increased their stock to $300,000, *(see letter from New York, No.* 6,) in the same place, under the direction of the Hon. J. H. Dunn, then President of the Company, *(see act of* 13*th April*, 1825, *marked No. 5.)*

The Directors for this year were:—
The Hon. John H. Dunn, William H. Merritt,
George Keefer, Thomas Butler,
John Decou, Samuel Clowes, and
Chauncey Beedle, Esquires.

DOCUMENTS REFERRED TO IN THE FOREGOING REMARKS.

Proceedings, &c. relating to the Welland Canal, with various documents,.....	Marked No. 1.
Minutes of the Board of Directors for the year 1824,.....	2.
Report of the board of Directors for the year 1824	3.
Original Subscription List, dated April, 1823,..	4.
Act of the 4th Session, 8th Parliament, cap. 17,	5.
Letter from New York Stockholders, recommending enlargement of the Canal,.....	6.
General description of the Welland Canal by 12 mile Creek,.....	7.
Abstract Estimate of an open cut through the tunnel line for a schooner navigation,.....	8.
Mr. Hall's specification of cut for the Welland Canal,.....	9.
Estimate for Niagara line,.....	10
Estimate for line by the valley of the 12 mile creek,.....	11.
General description of the Welland Canal, from the Chippawa to Lake Ontario, via Niagara, by Mr. Hall,.....	12.

No. 1.

In 1818, Messrs. Keefer, Davis, Upper and Merritt, with a number of inhabitants of Thorold, levelled the summit between Chippawa creek, and the source of the 12 mile creek, with a view of connecting them for hydraulic purposes, and connecting Lakes Erie and Ontario by a boat navigation. A meeting was held at Beaver Dams—Mr. Merritt went over to York during the sitting of the Legislature, with a profile of the route, and a petition, praying the Legislature would appropriate a sum of money for the purpose of exploring it. They would not attend to it at that time—and no more was done until April Sessions, 1823, when a subscription was got up, headed by the Hon. Thomas Clark, for the purpose of employing an Engineer. This is the first publication that appeared in print on the subject, dated April 12th, 1823.

"[*Communicated.*]"

"A subscription has been raised at the last Session in this District, for the purpose of raising money for surveying, and taking the level of the land, lying between the Chippawa river and the source of the nearest stream leading into Lake Ontario, with a view of connecting those waters, that they may become navigable for boats. We are happy to see the names of our most respectable and influential inhabitants at the head of the list, and trust it will be liberally supported. The subscription paper will be left with Mr. John Crooks, of this town."

"We are credibly informed the distance between the Chippawa and source of the 12 mile creek, is no more than one and three-quarters of a mile, by cutting this length and letting a sufficient supply of water from the Chippawa into the latter stream, it is obvious a boat navigation would be immediately effected between lakes Erie and Ontario except the pitch of the Mountain, which can be easily ascended by means of railways at a small expense. In a month or two we hope to publish the report of the Engineer on this interesting subject."

Mr. Merritt went over the River immediately and employed Mr. Hiram Tibbett Engineer who examined and levelled the route and made the following report on the subject.

Having been called upon to level the Ground between the River Welland or Chippawa and Lake Ontario.

REPORT AS FOLLOWS:

Commenced at Chippawa, on the 6th Instant, 10 miles from its mouth, as stated to me on Mr. John Browns farm, Township of Thorold; explored from thence two routes, to the head waters of the 12 mile creek; find the ridge of land between the two requires a cut of 26 feet on an average, for two miles; from thence to the road in New Holland, 60 chains; from thence to Captain John Decoe's—there is a fall of 17 feet in a distance of 25 chains; from thence to the brow of the Mountain, 71 chains; from thence to the foot of the Mountain, and on the surface of the west branch of 12 mile creek 50 chains—fall 242 feet; thence to Thomas' Mill 107 chains 50 links—fall 3 feet—fall at the mill 13 feet 8 inches; thence to Campbell's mill pond, 118 chains—fall 8 feet 4 inches; thence to mill 14 chains—fall at the mill 7 feet 10 inches; thence to Merritt's mill pond 139 chains 50 links—fall 9 feet 3 inches; thence to Adams' mill, 75 chains 50 links—fall at the dam 4 feet; from this, did not measure or level to the lake. I am informed, the distance is about four miles—do not suppose the fall to be more than 2 feet. The whole distance from Lake Ontario, to the mouth of Chippawa is 27 miles and 50 links.

It will be necessary for the purpose of navigation to make the above cut four feet lower than the surface of the Chippawa, 7 feet wide at the bottom and 19 feet at the top or surface of the water, which will draw off as much as may be required, 4 feet above this a tow path must be formed 8 feet on one side and a berm of 3 feet wide on the other, which will stop all the earth that may crumble off the sides from falling into the water; from those projections the bank may go up at a moderate elevation, leaving the top of the cut 44 feet wide; the whole makes 310,788 cubic yards. From the great depth of the Chippawa at this place, the inhabitants having dug wells to a greater depth on each end of the cut and from the quality of the soil, which is clay, I do not apprehend the least danger of meeting with rock. From the peculiar advantages derived from this situation, the excavation can be effected at a comparatively trifling expense. A deep navigable river being situated at the commencement of the cut,—Boats can follow every foot of the way, and be so constructed that one man can unload them without loss of time. To give a clear and simple idea of this method, construct on each end of the scow, a box similar to a cart body, which will be filled and discharge any quantity of earth in the stream. Suppose the farthest end of the

Canal 2 miles 2 men will man two boats, or one man and a horse while the one boat is loading will take the other to Chippawa, in 30 minutes and return in 20 minutes, (say one hour at farthest) and carry 20, 30 or 40 tons of earth and so on alternately, and will keep 12 men at least digging to supply the scows; whereas on the American Canal it requires 2 men to remove the earth as fast as one man digs it, and the expense of barrows and plank, will be equal to the scow; the average price of digging from 3 to 10 feet is 8 cents per yard. I am therefore confident, this cut can be effected at 10 cents, or $30,000, and contractors will offer to take it for less money (tunnelling has been mentioned to me to be the cheapest method, but having never witnessed the practical part of it---cannot give an opinion)---From the termination of this cut, the water will flow with an easy and gentle descent to Captain John Decoe's. It will be necessary to widen the stream and cut off the points in many places; but as Mr. Hall Davis will carry it through his farm and Mr. Hiram Swayze, the greater part of his, the expense will be too trifling to form an item. From Mr. Decoe's mill dam, it will be necessary to carry the water through the farms of Messrs. Burneston and Cooper, where nature has formed a ravine, or cut to the top of the mountain. The expense of this cut at 10 cents the yard, will not exceed seven hundred dollars. From this to the waters of the west branch of 12 mile creek, on Mr. Adam Brown's farm, nature has continued her favors; the ravine extends with a gentle descent or regular inclined plane the whole way, and one rail-way may be formed to take up boats at once, or two can be constructed, if necessary, or more convenient. I am not sufficiently informed on this subject, to give a correct estimate, but will forward one as soon as I can obtain the necessary information.---I am satisfied, however from the favorable situation of this ravine, it can be locked with 24 good wooden locks, for 20 thousand dollars. It will be necessary to construct at Thomas' mill a wooden lock which, from its height will cost $1000; at Campbell's mill the lock will cost $500; at Merritt's mill the lock will cost $500; and at Adam's mill, $350; from whence there is plenty of water to the Lake. I have likewise examined the Harbor but am not sufficiently informed to give an opinion as to the effect the water may produce on it for the purpose of deepening the channel to admit vessels. It will cost for a tow path through the woods, one hundred dollars per mile but a small portion of this distance passes through them---will therefore compute it at $50 per mile at the extent making $1500. The whole expense of the route exclusive of rail-ways, is thirty-four thousand five hundred and fifty dollars, I would suggest an improvement that will of course follow in a few years, viz: a lock at the head of Mr. Merritt's mill dam, taken from a race-way that can de dug at a trifling expense, from the foot of Mr. Campbell's mill dam. A lock on Colonel Johnson's farm, at the head of Mr. Campbell's mill dam, to another race-way at the foot of Mr. Thomas' mill dam, and one between Captain Decoe's and the Chippawa.---Those three will not average more than $1000 each, and make the stream a regular canal, the whole distance with the exception of the mountain.

Boats from 20 to 40 tons will navigate this stream with ease, and two men and a horse will take one from Lake Ontario to Chippawa, in a day or a day and a half at farthest. They navigate from 25 to 30 miles per day on the Erie Canal, on an average, and the mountain here will only cause a detention, of probably about 2 hours, in the ascent.

HIRAM TIBBETT,
Engineer.

St. Catharine's, 10th May, 1823.

The annexed notice was generally circulated through the District; the meeting however was thinly attended; the Honorable Thomas Clark and the Honorable William Dickson were present.

NOTICE.

A public meeting of the inhabitants of the district of Niagara---will take place at Mr M'Lelands Inn Beaver Dam on Saturday the 28th instant at 12 o'clock, to take into consideration and adopt measures to facilitate the opening of the proposed Canal from lakes Erie to Ontario every person interested in the prosperity of the country, it is hoped, will give their attendance.

Niagara, 23rd June, 1828.

The following resolutions, were then passed:

Pursuant to public notice, a meeting of the most respectable inhabitants of the Niagara District, was this day convened at the Beaver Dam, to take into consideration and adopt measures for opening a Canal between Lake Erie and Ontario.

GEO. KEEFER, Esq. of Thorold, called to the chair.

GEO. KEEFER, Junior, was appointed Secretary.

1st. On motion of JOHN CLARK, Esq., seconded by Mr. J. NORTHROP, the Report of Mr. TIBBETT, the Engineer appointed to level the route to the head of the 12 mile creek was read and unanimously approved of.—*Ordered* to be printed and circulated as general as possible.

2nd. On motion of Mr. J. NORTHROP, seconded by SAMUEL WOOD, Esq., an address to the inhabitants of Upper and Lower Canada was read, approved of, signed by the chairman, and ordered to be printed.

3rd. On motion of G. ADAMS, Esq., seconded by Mr. WOODRUFF, ordered that public notice be immediately given, that we intend petitioning the Legislature the next session for an act to incorporate a company for the purpose of connecting Lake Erie & Ontario, with a communication by water by the 12 Mile Creek, and from the Grand River to Chippawa, and for the erection of machinery on the route.

4th. On motion of S. WOOD, Esq., seconded by Mr. WOODRUFF, moved, that some suitable person be appointed to act as general agent, to be invested with as full power as the nature of the case will admit to receive and make all communications, until the act is passed to incorporate the said company—when he must call a general meeting of the stockholders in the most convenient situation, for them to adopt such measures as they may think advisable.

5th. On motion of Mr. R. WOODRUFF, ordered that WM. HAMILTON MERRITT, Esq. be appointed to act as our agent on this occasion.

6th. On motion of J. CLARK, Esq., the thanks of the meeting be given to the chairman for his able management in the chair.

(Signed) GEORGE KEEFER,
Chairman.

Beaver Dam, June 28th, 1823.

In furtherance of the above, the following documents were made out and circulated:

To the Editor of the _____

SIR:

I have taken the liberty of sending you the enclosed documents, which I trust you will insert in your paper gratis, and any favourable remark you may please to make on the necessity, importance, and public benefit of the undertaking, will be conferring a favor on the community at large.

I am,
Sir,
Your obedient servant,
W. H. MERRITT, *Agent Pro Tem.*

Address to the Inhabitants of Upper and Lower Canada.

GENTLEMEN,

The extraordinary exertions which our neighbors, the Americans, have made, and which they continue with unabated perseverance for the improvement of their internal navigation, point out to those who wish well to this country, not only the importance of the subject, but the necessity which exists for similar exertions amongst ourselves, for unless some efforts be speedily resorted to, and continued with equal spirit and determination, the direct tendency of *their skill* and industry, operating with our own supineness, must be the actual loss of a great part of our trade.

On an examination of the state of the two countries it must be evident that the natural facilities possessed by this Province for such improvement, are beyond comparison superior to those of our neighbors. The two great Lakes, which furnish so extensive a portion of our internal navigation, are in one part so nearly connected, as to require an artificial cut of only two miles, by which the water communication berween them would be uninterrupted.

The ease with which so desirable an object might be effected, has been long known to many individuals present, and it must afford them pleasure to be enabled to communicate to the public this interesting information, corroborated by the report of an able and scientific Engineer.

The object of the present meeting is to submit the outline of a plan, by which so very desirable a matter might be carried into effect, in order to its being maturely weighed and well understood. Notice has been given of an intention to petition the Legislature at its next Session for an act to incorporate a Company, with permission to raise a capital of £25,000 for the purpose of opening

a canal, by the most eligible and convenient route from Lake Ontario to the River Welland, (Chippawa) and from thence to the mouth of the Grand River. The dimensions to be similar to the Erie Canal, in the State of New York, or capable of carrying boats from 20 to 40 tons. And, as the supply of water is abundant, it is in contemplation to divert part of it in favorable situations, for the use of machinery. In this scheme it is proposed to raise the above capital of £25,000. The shares to be £6 5s. each. Ten per cent of which will be required at the time of subscribing, and the remainder when called for, at a month's public notice. The principal reason for making the shares small, are, that almost every individual may have an opportunity of taking more, and that it may be as general as possible.

Officers and managers as usual on such occasions, will be chosen by the Stockholders, when a sufficient amount shall have been subscribed. When £10,000 of the stock shall have been taken, it is proposed to commence cutting at Chippawa, and from thence in the direction of the 12 mile creek, to Lake Ontario; and no doubt is entertained but this part of it may be completed in one year from the time of commencement. The continuation between the Chippawa and Grand River, will be undertaken as soon afterwards as the state of the subscription will allow, that is, when the whole, or major part of the stock shall have been taken up.

Agents will be appointed at Montreal, Quebec, Amherstburgh, and the most convenient intermediate situations, for the purpose of ascertaining, at an early period, the amount of stock which the inhabitants of each place will be inclined to take, should our application to the Legislature for an act of incorporation be successful. It is desirable that the returns from those places should be furnished by the 1st October next, in order (if favorable) that arrangements may be made to facilitate the work one year, by commencing the 1st day of May ensuing.

It is not yet possible to speak with the same certainty as to the expense which must be incurred in making the second cut, but one route which has been explored between the Chippawa and Grand River, is only five miles, the other supposed three; and as the ground throughout both routes is favorable for cutting, it is presumed the expense cannot exceed £2,500.

A material advantage will result to the Western Districts of this Province, and those parts of the United States which border on Lake Erie, if this last part of the design be effected in consequence of the easy access to the mouth of the Grand River, it being always open for navigation at a much earlier period in spring, than the ports of Buffalo and Fort Erie. It is the primary object of the merchant to save time and distance in the conveyance of his produce to market, and the route by the Grand River will unite these advantages; such inhabitants as are settled on the Upper part of the Grand River and in the townships adjoining, will in common with settlers on the Western shores of the Lake, partake of the advantages of this early navigation, as the spring floods, by enabling them to float down their produce, will, when this part is completed, gain immediate access to the lower Lake, and enable them to reach Montreal, while Buffalo and Fort Erie, remain enveloped in ice. An important benefit must likewise be derived by the owners & occupiers of land, within reach of the Lake, and the banks of this River, from the certainty, that much of their valuable timber, will find easy and ready access to market, after being converted into staves, and other descriptions of lumber, which are in constant demand at Quebec for the supply of our West India Colonies. It is a melancholy subject to reflect upon the immense tracts of fine timbered land, which, for want of such facilities, are at present, not only unproductive to the owner, but acting as a constant drain upon the purse, whilst the time of remuneration seems, from day to day, to elude his pursuit, and after years of protracted hope, closes in final disappointment.

Need it be mentioned, that farmers and others, the actual occupants of the soil, are not (though, undoubtedly, great sufferers,) the only losers in this state of things. No; the Lower Canadian merchant shares equally, though not so immediately, in the loss. He suffers from the deterioration in value of the property of his debtor, in the Upper Province, from the difficulty that debtor meets with in converting the produce of his farm and industry into a tangible shape for the creditor's satisfaction: and again, from the reduced value of such land as he holds in security, or has accepted in liquidation of debts, contracted to him, under a more favourable state of trade, the taxes, in interim, substracting from the profits of his mercantile pursuits; in fact, it is for the general interests of the farmer, the mechanic and the merchant, that something effectual should be undertaken, to promote their joint welfare.

Another source of profit to the immediate Stockholders, will arise from the judicious use of the superfluous water, for the purposes of driving machinery, &c., and which, by proper management, might be made to reimburse them in a few years for the entire outlay of their capital. This taken in connection with the public convenience in a part of the country where mill streams are both scarce and scant, is far from being one of minor importance. From Long Point, on the shores of lake Erie, round to Dundas, at the upper end of lake Ontario, the only mill, possessing a sufficient supply of water to carry on business, to an extent that may be considered mercantile, is that of Messrs. Clark & Street, at the Falls.

The production of wheat, in a soil and climate so well adapted to its culture, must, of course, be considered one of our principal staples; but, to render this valuable to the farmer, it is necessary he should possess the means of converting it into a fit state for use, so that he may not only reap part of the benefit arising from the manufacture, but reduce the bulk and weight of his exportable commodity, so as to be enabled to enter the market less unfavorably, with respect to transport charges, than at present.

As this Company will be justly entitled to all the advantages that will result from the command of the water, throughout the route of the Canal, the mills now erected on that part of the 12 Mile Creek, (which will be benefitted by an additional supply of water,) must be purchased at a fair valuation, from the present proprietors, and be at the disposal of the Company, after the completion of the cut; two flouring mills of the best description, and other machinery should be erected by the Company; a flouring mill, as near Chippawa as possible, to receive wheat and produce, coming downwards from lake Erie; and another, as near lake Ontario, to receive produce from the banks thereof, and dispose of all the intermediate situations.

Subjoined, is a calculation upon good data, of the probable expence of the undertaking, contrasted with a sketch of the profits which it is presumed would accrue to the Company.

To estimate of 1st cut from Chippawa to lake Ontario,		£10,000 0 0
" probable amount of valuation of the different mills, &c., on the 12 Mile Creek, which it will be necessary to purchase,		4,000 0 0
" erection of 2 Grist Mills, Saw Mills, and, with other Machinery,		5,625 0 0
" cut to Grand River,		2,500 0 0
Halifax currency,		£22,125 0 0
By rental of Machinery to be erected by the Company,	£2000 0 0	
" interest on sale of the intermediate for hydraulic purposes,	300 0 0	
" rental of Mills now erected,	500 0 0	

The proceeds from the sale of the intemediate sites for hydraulic purposes; the increased value of the mills now erected, & the rental of the Company's two grand establishments on each end of the Canal, will, of itself, bring in a handsome dividend to the stockholders, on the amount necessary to complete the whole—leaving out the reasonable expectation, of a large sum that must be derived from the transportation of various articles. A boat, carrying 40 tons, will be taken up at the same expence, that two tons can be conveyed with a waggon at the present period.

If a sufficient degree of public spirit should not be found in the two Provinces, to complete so great and noble an object, we trust, private interests will induce individuals to embark a portion of their capital, in a fund where a profit will be immediately realized, continue and increase with the growing prosperity of the country.

GEORGE KEEFER,
Chairman.

Beaver Dam, June 27th, 1823.

The annexed is the notice alluded to in the 3rd resolution:

PUBLIC NOTICE.

We, the undermentioned freeholders of the District of Niagara, intend petitioning the Legislature, the next Session of Parliament, to incorporate a Company for the purpose of connecting lakes Erie and Ontario, with a Canal capable of carrying boast of from 20 to 40 tons—by the following route: commencing at Chippawa Creek, 10 miles above its mouth, on the farm of John Brown, from thence to head of middle branch of the 12 Mile Creek, at Garrat Vanderbarrack's; from thence to John Decoe's; pass over to the West branch of

the 12 Mile Creek, on the farm of Adam Brown; and continue the said stream, to lake Ontario. From the Chippawa to Grand River—either from the forks of Chippawa through the marsh, or from Oswego, which ever may prove most advantageous;—and for the erection of machinery for hydraulic purposes on the entire route.

George Keefer,
J. Northrup,
Thomas Merritt,
William Chisholm,
Joseph Smith,
Paul Shipman,
George Adams,
John Decoe,
W. Hamilton Merritt.

St. Catharines, July 4th 1823.

[*This was sent to every Post Master in the Upper Province, and almost every person of influence in it.*]

CIRCULAR.

St. Catharines.

SIR,

The accompanying report and address to the public together with the proceedings of the meeting will point out to you the object of this circular; and I trust You will conceive it of sufficient importance to the Provinces in general, to merit your exertions in promoting so necessary an undertaking. We have drawn up two lists, as some decline being stockholders, but say they will contribute their aid in case it should be effected.

You will submit both to every individual you think has the means in your vicinity, and return them as soon as you can possibly get the minds of the people on the subject—and at all events, by the first day of October next.

As this is an object of such general utility, I have taken the liberty of appointing you agent for the Township of————and vicinity—without your previous concurrence.—If you decline acting, have the goodness to hand it to some respectable person of your acquaintance, who will exert himself; and send me his name at your earliest convenience. Prompt attention will be paid to any communication you may make for further information.

I have the honor to be,
Sir,
Your obt. Servant,
W. H. MERRITT.

Agent, Pro. Tem.

St. Catharines, July, 4th 1823.

[*This Circular was sent to the different Post Offices in Lower Canada.*]

CIRCULAR.

St. Catharines.

SIR,

The accompanying report &c. (see last circular.)

To,

P. S.—As the distance between us will not admit of any early reply Mr, George Davis of Montreal, has been appointed Agent for Lower Canada—to whom we refer you for the information you may require. W. H. M.

[*This was sent to the different Merchants and other Capitalists in Lower Canada.*

CIRCULAR.

SIR,

You will perceive, by the Public Papers, it is in contemplation to unite Lakes Erie and Ontario, by a Canal, of the same dimensions as the Erie Canal in the state of New York.

As the capital in this as well as in all other countries, centre in its cities it is impossible for any public improvement to be effected in the interior, unless a portion of that capital returns to assist in carrying it into operation.

In this instance we appeal with confidence for a liberal support from Lower Canada; setting aside the dividend you may reasonably expect from a stock of so profitable and durable a nature, your interests will be materially affected by drawing to your market the products of an immense country, which will otherwise most assuredly go to New York. It would far exceed the bounds of a letter to state all the advantages, which your intelligence will immediately comprehend.

The object of this circular is to solicit your prompt assistance to the undertaking together with those of your friends who are immediately interested in the prosperity of the two Provinces.

Referring you to our agent, Mr. George Davis Montreal, for further information.

I have the honor to be,
Sir,
Your obt. Servant,
GEORGE KEEFER,
Chairman.

St. Catharines, July 4th 1823.

Those lists accompanied the aforementioned Circulars.

We the Snbscribers do hereby promise to take stock to the amount opposite our respective names, immediately after an Act is passed by the Legislature of Upper Canada incorporating a Company to open a Canal from Lake Erie to Ontario providing it is on the terms held out in an address signed by George Keefer as Chairman of a meeting held at Beaver Dam, Upper Canada.

June 28th, 1823.

NAMES.	PLACE OF RESIDENCE.	NO. OF SHARES	AMOUNT. £	s.	d.

WE the undermentioned subscribers, do hereby promise to pay to Mr. ————, of ————, the sums annexed to our respective names, as soon as a canal is effected and put in operation, between Lake Erie and Ontario, capable of conveying boats from 20 to 40 tons.

NAMES.	PLACE OF RESIDENCE.	NO. OF SHARES	AMOUNT. £	s.	d.

Besides the above there were 1,000 letters wrote to different individuals, during this interval visited the American canal from Syracuse up to obtain assistance, immediately after the sitting of the Legislature, the following petition was laid before the three branches by Mr. Merritt, and an Act incorporating the Welland Canal Company was passed that Session on the 24th January.

COPY OF PETITION.

To the Honorable the Members of the Legislature in Upper Canada in Parliament assembled.

The petition of the undersigned freeholders and inhabitants of the Niagara District.

MOST HUMBLY SHEWETH—

That your petitioners not only viewing the great advantages this Province must derive, but the absolute necessity of improving our internal communication by canals to keep within the Province, a part of its trade and transportation.

Humbly pray that your honorable body may be pleased to incorporate a Company with such a capital as you in your wisdom may deem meet, in the name of George Keefer, John Decow, J. Northrup, Geo. Adams, Thomas Merritt, William Chisholm, Paul Shipman, Joseph Smith, William Hamilton Merritt and their associates, enabling them to open a canal from the Grand River to the Chippawa Creek, and from thence to Lake Ontario of sufficient dimensions to convey boats from twenty to forty tons burthen, and for the erection of machinery thereon. The route to be from the Grand River, either through the marsh to the forks of the Chippawa or by Oswego creek and from Chippawa by the 12 mile creek, on the route laid down by Mr. Hyram Tibbett, engineer, or any other they find more advantageous between the two lakes.

And as your petitioners have understood, your honorable body have made a rule of the House that six months notice shall be given, before any law will be passed, in order that due time may be given to any persons to remonstrate against the passing of such act, beg your honorable body may be pleased in this instance, to dispense with the said rule inasmuch as they would have been in due time, had the House met at the period it has usually been called.

They beg leave further to state that this project has been in contemplation since *March* last, that the survey took place prior to the 10th May, that public meetings have been called on the route to discuss the subject and every means have been resorted to, to make it as public as possible in order that every person might have it in their power to oppose it if so inclined.

And as in duty bound, &c.

St. Catharines, 2d Feb'y, 1824.

SIR,

At a meeting of the petitioners for the Welland Canal Company held at Niagara the 31st ultimo, you were appointed to open books of subscription in your district to receive stock.

The act requires 10 per cent on the amount subscribed, to be paid on the formation of the Company (which will be on the 1st May next), and 10 per cent per month after the first payment if called for.

The money can be paid in to yourself by the subscribers when duly notified, subject to the direction of the President and Directors of the Company.

The books with whatever signatures you may obtain must be sent me by the 1st April next, in order to proceed to the formation of the Company, the subscribers must appoint an agent or agents in this district to vote for the proper officers to manage the affairs of the Company unless they or some one of them attend in person.

From the great public benefit the Provinces in general and particularly your district, must derive from the measure when carried into effect—The Board of Managers have every reason to believe you will make use of every exertion, to obtain a fair proportion of the stock.

I have the honor to be,
Sir,
Your obedient servant,
WM. H. MERRITT,
Agent for Petitioners.

NOTICE.

A meeting of the petitioners of the WELLAND CANAL COMPANY, will take place at Mrs. Rogers' Hotel in the Town of Niagara, on Saturday, the 31st instant for the purpose of appointing some person to each county town in the several districts in this Province, to open books of subscription as provided by the act, and to devise measures for the speedy formation of the Company.

WM. H. MERRITT,
One of the Petitioners.

St. Catharines, Jan'y 22d, 1824.

The above notice was then inserted and the followed resolutions produced from the meeting—and the following letter from the chairman.

At a numerous meeting of the inhabitants of the District of Niagara, assembled at the house of Mrs. Rogers' in the town of Niagara, on Saturday, Jan'y 31st, convened under the authority of an Act of the Provincial Parliament of this Province passed last session, entitled, "An Act to incorporate sundry persons therein mentioned, and their associates under

the style and title of the Welland Canal Company," whereof certain of the original petitioners being then and there present, a Chairman and Secretary to such meeting were duly appointed, the act of incorporation being read by the chairman and the object of the meeting explained—it was then

Resolved—That in conformity to the provisions of the act, books be provided by the Agents hereafter named, and transmitted to certain persons in the different Assize towns, in this Province, for the purpose of receiving subscriptions for stock in said Incorporated Company.

2*d*. *Resolved*—That George Keefer,
Wm. H. Merritt,
George Adams,
John Johnson Lefferty,
George Conelly,
Richard Woodruff,
R. M. Crysler, Esquires—

Be a Board of Managers, in behalf of the petitioners, to make all necessary arrangements until the Company is duly organized.

3. *Resolved*, That William Hamilton Merritt, of Grantham, Esq., be appointed a general agent, to obtain subscriptions for stock in the said company, and that it be recommended to him to proceed to the Lower Province with as little delay as possible, and solicit subscriptions for stock therein from those who may be inclined to further an object so momentous and beneficial to the future prosperity of both Provinces.

4. *Resolved*, That the chairman in behalf of the petitioners, address letters to such gentlemen in either Province as he may consider would take an active interest in promoting any laudable and enterprising undertaking of the kind; particularly, The Hon. J. H. Dunn, His Majesty's Receiver General at York, the Hon. George Markland, of Kingston, the Hon. John Richardson, of Montreal, and the Hon. James Irvine, of Quebec, soliciting their support and assistance in aiding Mr. Merritt, by recommending subscriptions in the said corporation.

WM. DICKSON, *Chairman.*
THOMAS BUTLER, *Secretary.*

[CIRCULAR IN ACCORDANCE WITH FOREGOING.]

Niagara, January 31, 1824.

SIR,

An Act of the Provincial Legislature of Upper Canada, passed last session, has sanctioned the incorporation of a company for making a canal between the Grand River on Lake Erie and the River Welland or Chippawa, and from thence to Lake Ontario.—Certain preliminary measures are to be taken before the formation of the Company, and in pursuance thereof a meeting took place in the town of Niagara, when certain resolutions were passed, a copy of which you will find enclosed.—Having had the honor of presiding at the meeting, it becomes my duty to address you on the subject, and to state that William Hamilton Merritt, Esq., of this place, is the General Agent, and will wait on you personally to solicit your countenance and assistance in promoting the object of his mission to Lower Canada, which is to obtain stock to as large an amount in the books of the company, as a sound discretion with a favorable view and consideration of all circumstances may warrant you in recommending.

It would have been proper to have sent a copy of the act, but unfortunately it is not yet in print—Mr. Merritt, however, carries with him a manuscript.

I have the honor to be,
Sir,
Your most obedient serv't,
WILLIAM DICKSON.

Immediately after this meeting Mr. Merritt went to Montreal and Quebec, called meetings, &c. &c. &c., and obtained subscriptions to the amount of £32,000; returned by the State of New York, and was made known to many contractors on Erie Canal.—The following notice was inserted to countermand one of the 1st of May, sent from Montreal.

NOTICE.

A Meeting of the Stockholders of the *Welland Canal* having been called on the 1st day of May next, for the purpose of appointing Directors to and for the said Company—which notice not having reached the *Niagara Gleaner* in time to give full 30 days notice, as required by the act—the said Meeting is unavoidably postponed until the 15th day of May—on which day the Stockholders will assemble at the Hotel of Mrs. Rogers, in the town of Niagara, at 12 o'clock, for the purpose of appointing the said Directors, as required by law.

WILLIAM HAMILTON MERRITT,
One of the Subscribers.

Niagara, April 8th, 1824.

On the 18th of said month an election was held pursuant to notice, and the Hon. John Henry Dunn, George Keefer, Esq., John Decou, Samuel Clowes, and William Hamilton Merritt, were appointed Directors.—The Hon. J. H. Dunn was then elected President, but declined serving from the distance which he resided from the Canal—Mr. Clowes likewise resigned, and Chauncey Beedle and Thomas Butler were appointed in their places.

Prior to this Mr. M. engaged Mr. Clowes to examine the route of the Canal—with a view to have every thing in readiness against the appointment of Directors—called a meeting of the Board of Managers at Shipmans, on the 10th April, to adopt some measure to forward the business, but so many different opinions, interests and views were taken that we broke up without determining on a single measure. Mr. Clowes gave in his estimate for a boat navigation, £26,000, and the following report:

To the Directors of the Welland Canal Company.

GENTLEMEN,

In submitting this report to your consideration, it may be advisable to accompany it with a few observations and remarks to guide you in the prosecution of the work, and to state some reasons for estimating and proportioning our Canal for eight feet Locks.

The greatest obstacle to overcome, and the only one worthy of consideration on this route is the dividing ridge between the Chippawa & the head waters

of the 12 Mile Creek—this we propose tunneling, which will save far more than one half the money necessary to expend in cutting it open—and every foot in width would add proportionally to the expense by giving it an extra foot more than the locks—boats will never meet with any obstruction in their loading, and room will be left for the surplus quantity of water for your hydraulic concerns, and for all purposes of boat navigation—a canal of this size is considered the most profitable, and will pass all the produce that may be necessary for a century to come.—The grand trunk canal in Great Britain is only of those dimensions.

In recommending wooden locks we are guided by the following considerations:—A stone lock would cost you at least £1000—from the low price of wooden materials in this country a wooden lock will be built for £220; the foundation of those locks, and that part under water, will last a century—the upper timber at least ten years, when the whole expense of building these entire will not exceed £100, this can be done in the winter season, and not interrupt the navigation one single hour—now the difference in the original cost is £780, the interest on which is £46 16s C'y per year, consequently an entire new lock may be built, including the foundation, every five years, for the difference in interest of the money.

In regard to the harbor I beg to observe that there is a natural bason capable of holding 500 sail of Vessels, drawing 7 feet of water and that they can proceed 3 miles in the interior without incurring one shilling additional expense to the four foot canal.

Respecting the prosecution of this work to advantage and with expedition, you must open the two tunnel mouths, as soon as possible which will draw off the water from each end of the tunnel then a heading may be drove through in six months, which will not cause an expenditure of more than £162 per month; after which it will take 15 months to complete the tunnel at an outlay of £500 per month; it is not necessary to lay out money the present year on any part of the route as ample time will be left you to finish the ensuing and year after at your leisure, the tunnel cannot be drove faster than mentioned which shews the necessity of its speedy completion.

We must further observe that this estimate is formed on mature deliberation, and from the experience of the practical part of canal operations for a series of years that we will undertake to complete the whole of it according to the above estimate and require from you no advance—when we finish each mile we will expect payment and not until then.

We have the honor to be,
Gentlemen,
Your Obedient Servants,
SAMUEL CLOWES,
JAMES CLOWES,
Civil Engineers.

In the meantime certain gentlemen from Niagara wrote below stating the object to be altogether visionary and would result in a total loss to the subscribers. The stockholders in Quebec became alarmed and wrote up positive instructions not to commence the work until at least the amount of the estimate had been subscribed—this caused an unavoidable delay, and to satisfy the public we employed two other Engineers whose reports are as under. We likewise had the country explored in every direction as will be seen from the following answer to a letter from the hon. James Irvine, of Quebec.

St. Catharines, 20th May, 1834.

The Hon. JAMES IRVINE, Quebec:

SIR,

I had the honor of receiving your communication of the 5th instant in behalf of the committee, yesterday, and assure you it is with no less regret than surprise I hear of the communication directed to the committee.

We are fully sensible that many gentlemen living on the Niagara frontier, were making use of every exertion to prevent the canal's being carried into effect, as we conceive from interested motives, but as it is a measure of too much consequence to the Provinces and so easily accomplished, they will not be able to accomplish their designs. I hope you will feel no delicacy in giving us the author of your communication, for if it is founded on truth it can never affect him, at the same time beg you will give us an opportunity of rebutting any statement that may reach you which is founded on report or rumour.

We do not pretend to deny that many individuals may conceive it a visionary and fallacious undertaking. Many of that description are to be found who would condemn any project however simple or easy to be accomplished, but we contend the Legislature of the Province would not pass a law—His Excellency the Governor mention it in his speech at the close of the Session—so many public meetings be convened, and send an agent to the extremity of the two Provinces to obtain stock to an undertaking that had not been maturely considered and generally known to be easily accomplished. However as those are merely opinions, be good enough to assure the committee and subscribers, that I will follow their directions most implicitly, and not proceed without their concurrence in any measure relative to the undertaking, for I would much sooner abandon the design altogether, however important, than to incur the least censure by deviating in the smallest respect from the confidence reposed in me.

We have a sufficient amount subscribed to complete the first deep cutting, but the Directors that I have seen, think it prudent not to commence until we have a sufficient sum taken up to complete the whole. On this subject you will be addressed officially next week by the Directors. Mr. Samuel Clowes and Son, the Engineers heretofore and still in the employment of our commissioners have been through the line from the River Welland to Lake Ontario, and made out an accurate estimate of the expense to complete the whole, which is £26,000 Currency. They offer to contract on their own estimates and finish each mile before they receive any payment, a plan and estimate in detail will be sent you as soon as finished.

On the 15th instant, the Company were formed, they are composed of the Hon. J. H. Dunn, *President*, George Keefer, John Decou, Samuel Clowes, and W. H. Merritt, as I had so decided a majority of votes from Lower Canada I relinquished them all,

and left the appointment of Directors to the shares taken in Upper Canada, so as not to have any influence in their selection. Mr. Clowes was solicited in consequence of his taking an interest in the concern, and being a professional gentleman, will doubtless adopt and recommend the best method to carry it into effect.

We propose getting the opinion of the most celebrated Engineers, on the American side, and one more here, before we proceed further—likewise to get the route surveyed from the Grand River to the Welland, and obtain an accurate estimate of the whole.

It may be necessary to call in 2½ per cent to cover the expenses attending those surveys, which will be the only instalment required until the whole amount is taken up.

I have the honor to be,
Dear Sir,
Your most obedient servant,
(Signed) WM. H. MERRITT.

(CIRCULAR.)

St. Catharines, 1st September, 1824.

MR. EDITOR,

For the information of stockholders in the Welland Canal & the public in general, the Directors of the Company publish the accompanying reports.

On the formation of the Company, Messrs. Samuel and James Clowes were employed to lay out a canal from the River Welland to Lake Ontario;—two routes were explored, one terminating at the mouth of the 12 mile creek, the other at Niagara,—the summit level at lock No. 1, about 3½ miles from the Welland, being common to both, and a dividing ridge of one mile and a half within this distance being the only obstacles of any magnitude in either route.

On receipt of Messrs. Clowes' report, it was intended to put this part of the canal under contract, by cutting open, or tunneling, to be determined by offers most advantageous to the Company, the gentlemen having offered to complete the canal on their own estimate to be paid mile by mile, as each was finished, agreeable to their report published about three months since.

Unfortunately for the prosecution of that work, a contrary opinion was at this period advanced and industriously circulated by some gentlemen in this district, who were totally unacquainted with the natural facilities of the routes, and without giving themselves the trouble to enquire into the merits of the undertaking:—they even undertook to represent the project to the stockholders in Lower Canada as altogether fallacious and visionary, advising them to withhold their subscriptions.

To silence those frequent statements, and to restore public confidence without a doubt, the Directors determined on suspending all operations until they obtained the opinion of two other Engineers,—and explored the whole route through to Lake Erie and the Grand River. In consquence of the ill-health of Mr. Clowes, and the difficulty of obtaining Mr. Roberts, it has caused more delay than was anticipated.

The following is an abstract of the different estimates:

Messrs. Clowes and Hall, from the Grand River to River Welland,	£ 7,456	18	0
Messrs. Samuel and James Clowes, from Welland—Lock No. 1—3½ miles by tunneling,.....	11,654	6	7½
From Lock No. 1, to Lake Ontario by the 12 mile creek,.....	14,346	13	4½
	£ 33,454	18	0

Mr. Hall's estimate for an open cut from Welland to Lock No. 1, (3½ miles) £14,680 0 9½, exceeding tunnelling £3025 14 2.

Mr. Roberts' estimate for same distance by open cut £22,037 4s. exceeding tunnelling £10,482 17 4½—by which it appears the lowest estimate is by Mr. Clowes to tunnel the one and one-half miles, and corroborated by Mr. Roberts.

Mr. S. Clowes is an Engineer of great experience in constructing canals in Europe,—both have had some in America, and have been employed by Government in this country, and the elder is still engaged in a canal route from Kingston to Ottawa, (near Montreal.)

Mr. Hall is a scientific educated Engineer (under the celebrated Tilford) of much practical knowledge, now employed in constructing the Monument at Queenston and the Canal at Burlington Beach.

Mr. Roberts has been several years employed in the Erie Canal—estimated the western section; and has the entire management, direction, and completion of the same.

The Directors are sanguine to believe that the corroborating reports of such men, as to the facility, utility, profits, and expense of the project, must remove every shadow of doubt from minds of the most sceptical, and they feel sensible a discerning public will see the propriety and even necessity of the undertaking; and be no longer amused by the fabulous reports of interested people, inimical to a work fraught with such infinite advantages to the public and Province in general.

(Signed) GEORGE KEEFER,
President W. C. C.

MR. HALL'S REPORT.

TO THE PRESIDENT AND DIRECTORS OF THE WELLAND CANAL COMPANY.

Agreeable to your instructions I have examined that part of the country situated between Lake Erie and the Welland or Chippawa River: also from the Niagara River Westward to the Valley of the 12 mile creek.

After various trials, find that the table laid North from the Chippawa to the Mountain face has a regular acclivity to the North East, thereby determining a direction from same point considerably above the confluence of the Chippawa with the Niagara River.

Upon the surface of this table land, various streams take their rise; all descending in a North West direc-

tion, viz :—the eight, the ten, and the twelve mile creeks—the head water of the latter stream has been found progressively lower than those to the Eastward.

A line has been levelled by Mr. Clowes, and verified by me in nearly a direct course from Big Creek, upon Brown's farm, township of Thorold, to the middle branch of the 12 Mile Creek; this level has been carried six feet under the average waters of the Chippawa, passing the dividing ridge, composed of strong adhesive clay, by deep cutting, rising abruptly from 10 to 15 and 19 feet—length of deep cutting 1 mile and 1,188 yards; again descending to water level near lock No. 1. or termination of summit level; distance from Chippawa is 3 miles and 1,120 yards. The variations of height and other particulars are carefully marked out in the accompanying sections.

From the nature of the ground, and shape of the adjacent country, this extent of canal must of necessity be common for any line of water communication between the Chippawa and Lake Ontario.

The elevations, detailed drawings, and specifications, will exhibit the particular mode of executing this part of the work by retaining walls, timber framing and top excavation, so as to obviate tunneling, as in the event of any extension of the canal dimensions, the mode submitted will have a decided advantage by saving two-thirds of the expense.

The expense of executing this part of the work according to the subjoined particular estimate, is,..... £13,345 9 10½
Ten per cent for contingencies, 1334 10 11

Total,..... £14,680 0 9½

It will be observed by the estimates, that the extent of excavation required here amounts to 328,293 cubic yards of earth, exclusive of 255,200 lineal feet of timber work. The time required to execute this in a proper manner will exced by one season, that of all the other parts—therefore no time should be lost in closing contracts for the execution of this particular section, so as uniformly to open the navigation by the spring of 1826.

According to the subject descriptions of the routes from the snmmit levels to Lake Octario by the Niagara River, and by the valley of the 12 Mile Creek, it would appear that nothing of an unfavourable nature occurs by adhering to either direction, the descent of the mountain, by both lines, is uncommonly favourable, and the soil generally well adapted to canal operations.

The mountain descent, by either line, will afford peculiar advantage for hydraulic operations, not only in the immediate vicinity of the canal line but by feeders carried to a great distance; the main feeder from Chippawa being inexhaustable, machinery to any extent, and capital to any amount may be constantly employed.

Messrs. Samuel & James Clowes having estimated the remainder of the proposed canal, publicly pledging themselves to become contractors at their own statements, and to finish each mile previous to receiving payment makes it unnecessary for me to proceed with further investigation as to estimate.

Have made particular sections of both routes, shewing the comparative length the lockage cutting and embarkments, on all particulars marked, these documents will be valuable during the execution of the work, whatever line your Directors may adopt.

The general dimensions are also marked upon the sections, viz :—in common cutting 28 feet, at water level 31 feet; at top bank, depth of the water, under the summit level 4 feet, and 5 feet from bottom of water to top bank, inside slope 1½ horizontal, to one perpendicular, tracking path 6 feet, benching on off side 3 feet.

Embanking same dimensions as to canal size, top of tracking path 10 feet, off side 5 feet; outside slope, 2 horizontal to one perpendicular, with the exception of these parts in deep eutting, where the canal size will diminish in proportion to the height or depth of excavation—locks within the chamber 72 feet, 12 feet in width, and 106 feet from extremities of wing walls.

These dimensions are calculated for a boat navigation of 40 tons burden; a limitation of funds is the more to be regretted, as nothing appears to be more likely to improve the general interests of the country than a free schooner navigation between the Lakes, however the general dimensions of the canal may be enlarged in sections from an increased facili- of boating stuff, stone, timber, and at less expense than by proceedieg in the first place to execute a commensurate schooner navigation.

That an extension within a limited period may be effected; wooden locks have been adopted, as they may be enlarged by masonary without much increased expense.

Have likewise investigated a canal route from the Chippawa to the Grand River, commencing at Misener's Creek, on the first fork of the Chippawa, miles above Big Creek. This line continues for two miles by Misener's Creek then, by a very different line to Broad Creek, about 2 miles above the junction to the Grand River with Lake Erie.—Expense as under :—

Cutting,.....	£5,905	18	0
Lockage,.....	400	0	0
Waste Wears,.....	60	0	0
Feeders,.....	1,056	0	0
Troughs, &c.....	35	0	0
	£7,456	18	0

By adhering to this line the actual distance from Lake Erie to Ontario will not exceed 40 miles :—Cranberry Marsh will be effectually drained, thereby improving 30,000 acres of valuable land, independent of an immense field of Iron Ore which may be available in many shapes in promoting the interests of the country.

(Signed) FRANCIS HALL,
Engineer.

Queenston, August 7, 1824.

True Copy,
GEORGE KEEFER,
Secretary W. C. C.

To the President and Directors of the Welland Canal Company.

GENTLEMEN:

In compliance with your directions I proceeded to level the country situated between Lake Erie and the River Welland, in order to ascertain the best route for a canal to connect these waters.

I have accordingly explored three different routes, estimates and specifications of which I submit for your consideration.

ROUTE No. 1

Commences on the River Welland, at the forks, nine miles West of the entrance of the Canal to connect this River with Lake Ontario, thence following the Southern branch of said River two miles, forming a natural Canal, thence leaving the River a distance of 26 chains through favorable ground; soil, light loom, and not more than two feet higher than the River passing Misener's house to the foot of Lock and Waste Wear No. 1. Eight feet lift from the head of this Lock make use of Misener's creek to the head of Cranberry Marsh, a distance of 134 chains; the stream requires straightening in places and clearing out;—expense of which is computed in estimate; thence crossing Cranberry Marsh, intersecting Broad Creek and following the same, till it discharges into the Grand River two miles West of outlet in Lake Erie. The distance of this station is ten miles averaging four feet cutting: it is now from one to two feet covered with water. This cut must be supplied by a feeder from the Grand River at an elevation of eight feet, a distance of twelve miles, the expense of completing this route will be—

For Feeder,.....	£1,091	0	0
Excavation of Cut,.....	5,905	0	0
Lockage,.....	400	0	0
Waste Wears,.....	60	0	0
	£7,456	0	0

In addition to the many advantages this route possesses, may be added the draining of about 30,000 acres of marshy land, which, at the present time is the greatest nuisance in this part of the country, and will be the most valuable when reclaimed, besides affording the country an abundant supply of bog ore with which this vicinity abounds.

ROUTE No. 2

Commences at the forks of the River Welland and pursuing the same route as No. 1 to Mr. McDonald's on Lot No. 17, 4th Concession of Wainfleet, thence crossing the Cranberry Marsh, South Easterly to Lot No. 8, in the 1st Concession, and intersects Lake Erie at the East end of a Bay formed by Point Industry and Mr. Graybiel's; there is a most favorable situation for constructing a harbour at this point of Lake Erie; but from the deep cutting the whole distance (5 miles) averaging ten feet, it would cost the sum of £9,924 13s. 4d. exclusive of harbour, as per reference to estimate and specifications herewith.

ROUTE No. 3

Commences on Lot No. 5, 2nd Concesssion in Canboro', on Oswego creek, running a South-eastern direction, until it intersects the Grand River, a distance of 5 miles and 19 chains. It would be necessary to bring a feeder from the Grand River to supply this route at an elevation of 12 feet, and will cost the sum of £8,034 12s. 5d. as per estimate, &c.—This route is favorable and could be completed at a less expense than here estimated, on a superior level, but the increased distance on Chippawa, and other considerations, gives it a decided advantage to No. 1.

(Signed) JAMES CLOWES,
Engineer.

August 10th, 1824.

A true Copy,
GEORGE KEEFER, JUNR.
Secretary W. C. C.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

Having, at your request, examined the two routes of the Welland Canal from the River Welland to Lake Ontario,—the one terminating at the mouth of the 12 Mile Creek, and the other at Niagara; both being heretofore levelled, (which I take for granted to be correct) and estimated by by Messrs. Clowes.

I beg leave to remark that I have made a personal minute observation of both lines, and carefully examined the estimates of Messrs. Clowes.—I think them judicious, and am of opinion, that either route can be effected at their estimates, by proper and economical management.

From a close examination of the creek I am fully of opinion, that by means of a lock, dam, waste wear, and other improvements, according to the plans of said Engineers, that an excellent harbor may be made for a great number of lake vessels, drawing from 7 to 8 feet water, which can be towed 3 or 4 miles up, to the first lock, where hydraulic establishments may be elected.—From this the line of canal will follow the channel of said creek to lock No. 1., within 3½ miles of the River Welland, the greater part of which has more the appearance of an artificial canal than the natural bed of a stream, the construction of locks, waste wears, and a suitable towing path forms the principal part of the expense on this route.

From Lock No. 1. to Niagara.

This line presents unusual facilities for constructing a canal, but from its requiring to be wholly excavated, with a very small share of embankment, it will necessarily cost a considerable sum more for its completion, than the other route; but when completed will be a far more elegant canal, and less liable to be impaired by spring floods and freshets, to which the bed of every stream is liable.

I have likewise examined the estimate of Mr. Hall, Engineer, of the deep cut, from lock No. 1 to the River Welland, which is common to both routes, and the only obstacle of magnitude that presents itself in either. I approve of his plan of timbering as a matter of economy, with a little variation, as per accompanying estimate, making a total of £22,072.

From the experience I have had in this kind of work on the western section of the Erie Canal, there

being much deeper cutting; and from the unforeseen difficulties attending the same, I have been induced to give such an estimate, that you may not be deceived in its accomplishment, for it is almost impossible for any engineer to estimate this description of cutting without having witnessed the operation.

Having been presented by Mr. Clowes with the calculations for a tunnel of suitable dimensions, supported by well connected timber, to be driven through the said deep cut, which would cost but little more than one half of the above.—I deem it worthy of favourable notice.

From the natural facilities on either of the above routes, the Canal can be completed at a trifling expense, compared to the importance of the object.

The geographical situation of this country presenting an extent of thousands of miles of inland navigation, will by means of this canal, be connected, and it is reasonable to believe that the tolls arising from it will exceed the calculations of the most sanguine, besides the benefits to be derived from hydraulic situations.—Taking all advantages into consideration, I have no hesitation in stating, that it must be the most profitable description of stock, and when once completed a never failing source of revenue to the proprietors.

The wealth and capital it will draw to your country; the facilities it will afford to commerce, with the other advantages that you will realize from its completion, make it an object worthy of your most laudable exertions, and of the patronage of every friend to internal improvement in your country.

Respectfully submitted by your obedient servant,

(Signed) NATHAN S. ROBERTS,

Engineer.

St. Catharines, 28th August, 1824.

We likewise had the country explored in every direction where the least natural advantages presented themselves, as the accompanying reports of Mr. Cusack will shew.

REPORT OF SURVEY AND LEVEL

Of the contemplated canal to unite the waters of the River Welland (or Chippawa) and Lake Ontario, by way of the village of St Johns, known by the name of Short Hills, (viz) commencing at a stake planted by Mr. Samuel Clowes, Civil Engineer, marked 8 feet 3, 5 decimals above the surface level of the Chippawa water, then bearing in a north westerly direction along Big Creek, on Mr. Carroll's farm, frequently crossing said creek in the distance of 20 chains, fall 2 feet 3 inches—then in the distance of 21 chains, rise 1 foot 7 inches—then in the distance of 42 chains and 68 links, rise 6 feet 7 inches, making the whole ascent in the distance of 83 chains and 68 links, 13 feet 2¼ inches above the aforesaid level; then in the distance of 41 chains frequently crossing the different meanders of said creek, rise 12 feet 7¼ inches—then abandoning said creek, and across John Smith's Farm, in the distance of 12 chains, rise 10 feet 4 inches—then in the distance of 20 chains, fall 4 feet 3¼ inches—then at the distance of 254 chains from the place of commencement across a high noll of ground, rise in the whole 38 feet 5 inches—then to the brow of the mountain, in the distance of 6 chains and 9 links, fall 1 foot 5¼ inches, making the whole ascent to where the mountain descends on Mr. Damewood's farm 36 feet 11¾ inches above the surface level of the Chippawa water—then in the distance of 2 chains and 11 links, fall to the level, having overcome that great barrier that nature has seemingly formed to oppose inland navigation between the two lakes, and that by a favorable route did not survey or level any farther. The mountain at this place answers a good purpose, being an inland place, and will admit of regular ponds (or levels) between each lock. Not being furnished with the proper implements to ascertain the quality of the earth, prevents me of describing it at present, the inhabitants having dug wells to a very great depth, give a favorable account of the different stratas. The face of the country is apparently composed of strong clay, and that of the best kind for a canal.

A plan and estimate will be transmitted if required.

RHEDDY CUSACK,

Civil Engineer.

Stamford, 10th May, 1824.

NOTE.—The whole distance from Mr. S. Clowes' stake to the brow of the mountain and level 262 chains 80 links.

REPORT OF A SURVEY AND LEVEL

Of the contemplated Canal to unite the waters of the River Welland (or Chippawa) with Lake Ontario, by way of the 15 Mile Creek, (viz.) commencing on the 7th instant on Sucker Creek, 5 chains west of the township line, between Gainsborough and Pelham, then bearing north 41°, 15 west, in the distance of 45 chains and 30 links, frequently crossing said Creek, rise 9 feet 4 inches above the surface level of the Chippawa water—then north easterly, abandoning said creek in the distance of 25 chains, rise 18 feet 3 inches—then continuing the same course in the distance of 7 chains, fall 3¼ inches—then bearing north in the distance of 7 chains, rise 2 feet 4 inches—then in the distanse of 16 chains, fall 1 foot 10¾ inches, leaving the ascent at the distance of 103 chains and 30 links, 31 feet 5¼ inches above the aforesaid surface—then continuing the same course in the distance of 10 chains, rise 2 feet 2 inches—then in the distance of 5 chains, fall 1 foot 6¾ inches—then in the distance of 9 chains, rise 3 feet 5¾ inches—then in the distance of 5 chains fall 4¼ inches—then in the distance of 22 chains, rise 6 feet 5¼ inches—then in the distance of 43 chains terminates on the Canborough road, in 57 feet 11 inches above the surface level, as aforesaid, making the whole distance 197 chains and 30 links; in this distance, and as far as the course of the creek continued the bottom appeared to be a strong clay, and of the same strata as apparently compose the face of the country, and best kind for a canal—considering the excavation in this route too heavy for inland navigation, and a prospect of a more favorable route being intimated to me (viz.) by Scott's Creek, was the cause of my not exploring this route farther.

If an estimate is required it will be transmitted without delay.

RHEDDY CUSACK,
Civil Engineer.

Stamford, 10th May, 1824.

REPORT OF A SURVEY AND LEVEL

Of the contemplated canal, intended to unite the waters of the River Welland or Chippawa and the River Niagara by way of the Village of St. Davids, and then Easterly to Queenston—Commenced on the North branch of the Chippawa about 40 chains from its mouth, then North 45° West, frequently crossing the different meanders of Mr. Bell's creek in the distance of 58 chains and 67 links, rise 13 feet 5½ inches above the surface level of the Chippawa—then bearing North in the distance of 66 chains and 39 links, rise 19 feet 2½ inches, then in the distance of 18 chains and 58 links, rise 4 feet 11 inches, making the whole ascent to the summit of the portage road at the falls 37 feet 7 inches—then under the high bank in the distance of 3 chains 54 links fall to the level—then North-east under the said bank retaining the level for the distance of 56 chains and 63 links—then ascending to the summit in the distance of 15 chains, rise 46 feet 6¾ inches—then North 25 degrees East in the distance of 21 chains and 90 links, rise 4 feet 2 inches—then continuing in the same course in the distance of 7 chains and 54 links, fall 10 feet 9 inches, then North in the distance of 24 chains and 31 links, fall 7 feet 7 inches—then North 45°, East, frequently crossing the windings of the Muddy run, in the distance of 36 chains and 97 links, fall 7 feet 7 inches —then in the distance of 43 chains and 34 links, fall 4 feet 9 inches—then in the distance of 13 chains and 57 links, fall 5 feet 1 inch—then in the distance of 57 chains and 55 links, rise 5 feet 6 inches—then in the distance of 3 chains, fall to the level, leaving the bottom of Fralick's creek 1 foot 2½ inches below level—then in the distance of 50 chains, rise 11 feet—then in the distance of 10 chains 87 links, fall to the level, leaving the bottom of Adam Bowman's creek 3 feet 5 inches below level—then in the distance of 17 chains and 8 links, rise 10 feet 5¾ inches—then in the distance of 73 chains and 22 links, rise 23 feet 6¼ inches, making the whole ascent from the level to the summit of the mountain 34 feet—then bearing North 25° West, in the distance of 25 chains and 83 links, fall to the level—then in the distance of 77 chains and 57 links, fall 156 feet 6 inches—then North 25° East, in the distance of 32 chains and 83 links, fall 48 feet 4 inches—then East in the distance of 53 chains and 66 links, fall 3 feet—then continuing the same course in the distance of 56 chains and 26 links, rise 1 foot 9 inches—then in the distance of 48 chains and 43 links, fall 30 feet 7 inches—then in the distance of 24 chains and 25 links, fall 66 feet 10 inches, making the distance from the level 352 feet, and the whole distance from Chippawa to Queenston, 11 miles, 1 furlong and 28 perches.

R. CUSACK,
Civil Engineer.

Stamford, May 30, 1824.

On application having been made to His Excellency for the waste lands, the success of which in Wainfleet was rather dubious, and every person so lukewarm and indifferent to the undertaking, we endeavored to rouse them by the following Circular, knowing that if any quantity of land was obtained it would be an additional inducement for capitalists to invest money on this increased security.

(CIRCULAR.)

St. Catharines, June 28, 1824.

SIR,

Every exertion has been made by a few individuals in this District to connect Lakes Erie and Ontario, with a navigable canal. They have obtained an Act of Incorporation and stock to the amount of *fifty thousand dollars*, principally from Lower Canada, the Company are now regularly organized according to law. They have had the routes explored by skilful and experienced Engineers, and find, by the report of Messrs. Clowes, it will require the sum of £26,000 to complete the Canal from the River Welland to Lake Ontario; and the Directors think it advisable, not to commence operations until stock is subscribed to this amount.

Although this sum is trifling to a degree compared with the object of the undertaking, still the greatest difficulty is experienced in getting it subscribed.—There is a great want of enterprise through the country, and a very great scarcity of money; besides which an unfavorable opinion of the ultimate profit of this undertaking to the stockholders emanated from gentlemen possessing the greatest capital, and most influence in the district, and has been circulated both in this and the Lower Province, greatly to the prejudice of the present stockholders, and has deterred others from coming forward that were otherwise favorably disposed.

The President and Directors have determined on appealing to the public spirit of the land-holders throughout the Province;—A similar measure was adopted in the State of New York prior to the commencement of the grand Erie Canal, and donations, in land, received to the amount of ONE MILLION OF DOLLARS. The Holland Land Company gave 100,000 acres, Gideon Grainger, &c. &c. of Canandagua 10,000 acres—The inhabitants evinced the warmest attachment to their country by the zealous manner in which they defended it last war, and we have no doubt they feel an equal interest for its improvement.

Besides if the opinion advanced by some should prove correct, and the stock turn out unproductive, it would be ungenerous for one part of the community to have their property enhanced at the expense of the other, for it is a well established fact that canals add 30 per cent to the value of all property connected by them. Suppose two countries similarly situated, in soil, climate, and every other local advantage, the one possessing good roads, the other water communication, commodities of all descriptions will be furnished by the latter, 30 per cent cheaper than the former, or in other words, the latter would be one-third richer than the former.

Canals diminish the distance between places and encourage the settlement of the most remote parts of the country. They create new sources of internal trade, and encourage manufactures of all descriptions. Surely no country can feel the want of this branch more than ourselves.

They unite cheapness, celerity, certainty, and safety in the transportation of commodities: a loaded boat can be taken from the mouth of the Grand River to Lake Ontario, in two days, carrying 30 tons, with one man and boy and two horses: allow each man and horse $1 per day, and the tolls to be double the expense of transportation, it will not exceed 5s. per ton: add to this, 50 per cent. it will only bring flour to 9 pence per barrel.—However the fairest way to make calculations on an undertaking of this nature, is to establish precedents:—The Americans take one barrel of salt weighing 300 lbs. from Salina to Rochester, one hundred and two miles, from 18 to 20 yents per barrel. If we charge the same rate for 60 odd miles, it will bring flour from 13½ to 16 cents—Staves from $2 to $4 per thousand; and all other articles proportionably less.

We would likewise call your attention to the present danger of navigating Lake Erie from the mouth of Grand River to Fort Erie, and the immense advantage of navigating that Lake one month earlier every season.*

Land owners on Lake Ontario, although they may not feel their immediate interests connected in this undertaking, will derive great advantage from its accomplishment, by the increased employment of vessels, hands, &c. &c. on this lake, and trade of every description. In case it is not effected, the produce of all the upper country, the most fertile part of Canada, must find its way to the United States.

We have endeavored to state these facts in a clear and fair point of view—Our object by this Circular is to notify you that we intend calling on you with a subscription the purport of which will be, that in case the Welland Canal Company completes a Canal between the mouth of the Grand River and Lake Ontario, within five years from January next (1825), that you will give them so many acres of land situated so and so. On this additional security, we will endeavor either to borrow money or induce subscribers to come forward and take up the remainder of the stock, that we may proceed immediately and complete the undertaking.

Trusting it will meet with your favorable consideration,

I have the honor to be,
Sir,
Your obt. Servant,
(Signed) GEORGE KEEFER,
President W. C. C.

But it produced no effect, all the principal gentlemen in the District *refusing to give an acre.*

In September Mr. Merritt was sent to New York, and there obtained stock to the amount of £14,000. Notice was inserted in the different papers in the States by the Agent, and the annexed in the Gleaner by the President.

NOTICE.

The remainder of STOCK required for completing the *Welland Canal*, from the River Welland to Lake Ontario, having been subscribed at New York the Directors will put that part of it from the Welland to Lock No. 1, (two miles) under contract.—Proposals will be received at their Office, St. Catharines, until the 15th day of November next, for the whole or any one Section of it, (which are laid out in 20 chains each.) One mile and 54 chains of the above is from 25 to 49 feet, deep cut, for which part they will receive proposals, for both tunnelling and cutting open, and be guided by the offers received, which method they will adopt.

Any information on the subject may be obtained from Mr. Hall, Engineer at Queenston, or at the Canal Office.

(Signed) GEORGE KEEFER,
President W. C. C.

St. Catharines, 20th Oct. 1824.

Twenty-two proposals were given in, and the summit contracted for by Mr. Hovey, Messrs. Kennedy & Co., and Mr. Simpson.

No. II.

MINUTES OF THE BOARD OF DIRECTORS FOR 1824.

At a meeting held at Niagara, the 15th day of May, 1824, at the House of Mr. Alexander Rogers, pursuant to notice, the undermentioned persons were duly elected Directors of the Welland Canal Company, viz:—

The Hon. John Henry Dunn,
William H. Merritt, Esquire,
George Keefer, Esquire,
Mr. John Decow, and
Mr. Samuel Clowes,

GEORGE KEEFER, *Chairman.*

At the same meeting, on the same day, the Hon. JOHN HENRY DUNN, was unanimously appointed President of the said Company.

(Signed) GEORGE KEEFER,
Chairman

At a meeting of the Directors of the Welland Canal Company held at St. Catharines, the 24th May, 1824,

It was Resolved, That William H. Merritt, Esq., one of the Directors, proceed to York, as soon as possible, and wait on the Honorable J. H. Dunn, to solicit him to accept of the situation of President; conferred on him by the Directors on the 15th inst., at Niagara, more especially as a violent opposition has arisen to the measure; Mr. Merritt is likewise requested to state to Mr. Dunn, that it will not be necessary for him to attend to the concerns of the Company only to sanction their plan of operations from time to time.

GEORGE KEEFER,
JOHN DECOW,
WILLIAM H. MERRITT, } *Directors.*

* The Ice remains every Spring sometime on the North end of Lake Erie longer than to the South-west—So that the navigation is open from the Straits of Detroit to the Mouth of the Grand River some weeks before it is open to Fort Erie and Buffalo.

At a meeting of the Directors of the Welland Canal Company, held at St. Catharines,, 8th June, 1824,

It was Resolved, That Chauncey Beedle, of St. Catharines, and Thomas Butler, of Niagara, Esqrs., be appointed Directors in the Place of John Henry Dunn, and Samuel Clews, resigned.

GEORGE KEEFER,
JOHN DECOW.
WILLIAM H. MERRITT, } *Directors.*

At a meeting of the Directors of the Welland Canal Company, held at the house of Paul Shipman, on 9th June, 1824,

GEORGE KEEFER, Esquire, of Thorold, was unanimously elected President, by ballot, in the place of the Hon. John Henry Dunn, resigned.

It was *Resolved*, That William Hamilton Merritt, of St. Catharines, Esquire, be appointed Agent and Managing Director, to and for this Company, and to lawfully act in all manner of things relating thereto, according to the best of his knowledge and ability.

Resolved, That James Gordon, of St. Catharines, Esquire, be appointed Treasurer of said Company, upon his giving satisfactory security to the amount of eight thousand pounds lawful money of this Province, and that he be allowed two per cent on all monies received and paid out.

Resolved, That George Keefer, Junior, be appointed Secretary to the said Company, and that he be allowed 5s per day for the time he may be employed.—That the Secretary be requested to collect and insert in a book provided for that purpose, every document relating to, & preceding the formation of this Company and contemplated Canal, with a copy of plans, &c.

That the Honorable J. Irvine, or his firm, be appointed Agent for said Company, at Quebec, George Davis, Commission Merchant, Montreal, and any other in the different Districts in this Province, and elsewhere, that our agent may recommend—that he order our Secretary to notify those persons or agents of their appointment, likewise of the appointment of Mr. Merritt, with whom they are to correspond, and publish the same in the different newspapers.

That 2½ per cent be called in on each instalment by the 10th July next.

That all the proceedings of the Directors heretofore be fully approved of.

That our Engineers and Agents be paid for their services and expenses out of the 1st money received by the Treasurer.

That copies of all letters and documents be kept for the information of the Directors.

That the cut from the River Welland to the first lock on mountain be commenced as soon as we obtain the consent of the Committee at Quebec.

GEORGE KEEFER, *President.*
JOHN DECOW,
CHAUNCEY BEEDLE,
WM. H. MERRITT, } *Directors.*

The undermentioned Bye Laws were read and approved of unanimously by the undersigned Directors, at their meeting the 9th day of June, 1824, for the good government of said Company, according to the 33rd clause of the act.

1st. That the President shall sign all papers and give his sanction to all measures and proceedings adopted by a majority of the Directors, although the same may be contrary to his private opinion.

2nd. That we agree all and every of us to forward and promote the prosecution of this work to the utmost of our ability, and promise to give our attendance to all meetings that may be appointed to forward the same.

3rd. That our Agent presents all measures of moment that may be contemplated for our concurrence and approval at each meeting previous to acting upon the same, that he be allowed the assistance of the Secretary, who shall be exclusively under his control. Amended 2nd Sept. 1836.

4th. That all money transactions must be approved of by the Directors, who will meet the 1st Monday in each month for that purpose, and that no money must be paid out by the Treasurer until their sanction is obtained.

5th. That we promise to co-operate cordially with each other, and if a difference of opinion should arise, that we keep the same secret, and not allow it to be promulgated to the public—that all estimates of Engineers, and other matters that are necessary, we promise in like manner to keep to ourselves. Expunged 2nd Sept. 1836.

6th. that to prevent confusion, the President always to preside at each meeting, to have full power to establish order and regularity—each person to deliver his sentiments without interruption, and each to speak in his proper turn. Amended 2nd Sept. 1836.

7th. That those resolutions be referred to at any and all times for our guidance and direction in case a difference of opinion should arise, and we promise likewise to adopt and insert any other resolution that may be approved of for the good government of the Company. Expunged 2nd Sept. 1835.

GEORGE KEEFER, *President.*
JOHN DECOW,
CHAUNCEY BEEDLE,
WM. H. MERRITT,
T. BUTLER, } *Directors.*

At a Meeting of the Directors of the Welland Canal Company, held at the Canal Office on the 9th August.

Resolved, That a communication be made immediately to the committee at Quebec and Montreal, enclosing Messrs. Hall and Clowes report of the whole line, with the plans accompanying the same.

That we petition His Excellency for the waste lands in the township of Wainfleet immediately.

That we send for an American Engineer for the purpose of examining the different routes of the Canal.

That all accounts against the Welland Canal Company be presented to the Treasurer for payment, if approved of, by the 1st Monday in September.

That the Secretary draw off plans of the Canal for York, Montreal, Quebec, New York, and the different Districts particularly interested, and to write to the stockholders in this District for the immediate payment of 2½ per cent. which, if not paid in a fortnight, to be prosecuted immediately.

That the Treasurer draw for 2½ per cent for Montreal and Quebec.

JOHN DECOW,
CHAUNCEY BEEDLE,
W. H. MERRITT,
} *Directors.*

By order,

GEORGE KEEFER, Jun. *Secretary W. C. C.*

At a meeting of the President and Directors of the Welland Canal Company, held at St Catharines, the 6th day of Sept. 1824,

It was *Resolved*, That we send our Agent immediately to New York, to get the remainder of the Stock subscribed, with discretionary power to go to any other place where he may think proper, and act in all things thereto according to the best of his judgment and ability.

That the Treasurer advance $150 to pay the expenses of our Agent in his mission to New York for the purpose of obtaining the said Stock.

That we pay Mr. Merritt £66 4s. 3d., the amount of his expenses in going to Montreal and other places, last winter, which he expended for the benefit of the Company.

Resolved, That we approve of the documents sent to the different Agents in Montreal and Quebec.

Ordered, That the next meeting take place the 1st Monday in November, if not called sooner by the President.

GEORGE KEEFER, *President*,
J. BUTLER,
JOHN DECOW,
WILLIAM H. MERRITT,
} *Directors.*

At a meeting of the President and Directors of the Welland Canal Company, held at P. Shipman's Inn, the 27th October, 1824,

The following resolutions were made :—

Resolved, That Mr. Francis Hall be employed as Engineer to level, estimate, and lay out the different Sections of the Canal, from the Chippawa to the Welland road, for the sum of £10.

That Mr. Merritt's expenses, over and above what has been granted him, be paid by the Company.

That the Secretary write circulars to the different Agents in the Province, to solicit them to take up the remainder of the Stock.

That Mr. Decow appoint some person to be employed in pointing out to the Contractors, the route which shall be marked out by the Engineer.

That a notice (copied from the Gleaner) be sen to the Lockport Observer for contracts.

That a notice be sent to the Gleaner for those wh wish to take stock, to apply to the Agent at St. Ca tharines, on or before the 1st day of January next after which time the book will be closed.

That the Directors meet again on Monday, 15th November next, at ten o'clock.

GEORGE KEEFER, *President.*
J. BUTLER,
WILLIAM H. MERRITT.
JOHN DECOW,
C. BEEDLE,
} *Directors.*

At a meeting of the President and Directors of the Welland Canal Company, held at Mr. Badgeley's Tavern, on the 11th December, 1824.

PRESENT.

GEORGE KEEFER, Esq., *President.*
JOHN DECOW, Esq.,
C. BEEDLE, Esq., and
Wm. H. MERRITT, Esq..
} *Directors.*

Twenty-one proposals for the delivery of timber required for the tunnel, were received.

The lowest was from Mr. Walter Clendenning, of St. Catharines, for the sum of 17s. 3d. currency per hundred, for getting out, delivering and framing.

The next was from Theophilus Brundage, of Grantham, the north half of tunnel, for nineteen and elevenpence.

All other proposals were at and over £1 5s., for delivering on the bank of Chippawa, at tunnel mouth.

It was, therefore, *Resolved*, That if Mr. Walter Clendenning gives our Agent satisfactory security for the performance of his proposal, that he accepts it, and in case he does not, that we accept of the offer of Mr. Theophilus Brundage.

Resolved, That our Agent writes Mr. Samuel Clowes and Francis Hall, Engineers, proposing the following queries :—

1. Will it be necessary to employ an Engineer constantly during the operation of the tunnel and opening the two mouths ?

2. If so, will you engage to superintend it and be answerable for its correct execution ?

3. Do you perfectly understand the practical part of tunnelling ?

In case you do not conceive it necessary for an Engineer to be constantly employed, what will you charge us to superintend the construction of the tunnel, or what per day for occasional attendance.

The Directors wish to adopt the best and most economical system for the prosecution of the work already commenced, and wish you to give them your ideas fully on the subject as they must decide on a permanent plan in a very short time.

GEORGE KEEFER,
President W. C. C.

At a meeting of the Board, 18th Dec., 1824.

PRESENT:

GEORGE KEEFER, Esq., *President.*
JOHN DECOW, Esq., C. BEEDLE, Esq., WM. H. MERRITT, Esq., *Directors.*

WILLIAM HAMILTON MERRITT, Esquire. having been appointed as an Agent for the Company since Directors were chosen, but as no such record appears in the books, it is now *Resolved*, That he be appointed from the 15th of November last past, to superintend the concerns of the Company, until the appointment of new Directors, and that it be his duty to attend wholly to it, submitting from time to time, for our consideration, any alterations that may be required in the plans adopted.

That Walter Clendenning cannot furnish the necessary security referred to, it is *Resolved*, That we accept Mr. Theophilus Brundage's proposal and enter into contract with him immediately.

GEORGE KEEFER,
President W. C. C.

No. 3.

REPORT OF THE DIRECTORS OF THE WELLAND CANAL COMPANY,

For the Year 1824.

As it has ever been the intention of the Directors of this Company to prosecute the work committed to their management with vigor, they conceive it their duty to lay before the public a statement of their proceedings to this period.

A sufficient amount of stock having been subscribed on the 1st November last, to warrant the commencement of the undertaking, due notice was given and contracts made on the 15th, and the work commenced on the 30th of the same month, for the completion of the summit ridge extending from the River Welland to New Holland, a distance of three miles, two of which is to be tunneled.

Those contracts have been entered into with able, energetic, and experienced men, every way qualified for the undertaking, who have commenced their different sections and prosecuted their work with a zeal that does them credit, no preparatory arrangements could have been made, nevertheless the necessary buildings and machinery have been erected, tools and implements procured, and as many men employed as can work to advantage.

From the uncommon favorable state of the weather since our commencement, the work has progressed with unusual rapidity, both tunnel mouths have been taken out to bottom level and will be finished the whole canal size by the 1st May next at the extent.

A shaft has likewise been sunk to bottom level in the centre of the tunnel which has enabled the contractors to test the quality of the earth to a certainty, it proves a strong adhesive clay laying in regular strata from end to end and peculiarly adapted for a safe and rapid prosecution of the tunnel, no water is met with at either end or centre until below water level. We can therefore assert with confidence, no serious obstruction will intervene.

The original plan of this canal was for a 9 feet wide tunnel, 8 feet locks and 16 feet bottom, the propriety of enlarging it to 15 feet wide, the same dimensions as the Erie Canal, was suggested, and has been adopted with the general concurrence of the stockholders—the advantages of this arrangement are apparent, more especially from our proximity to the American Canal, boats from which, will pass through this without shifting cargoes, our present dimensions are 15 feet wide, by 14 feet high, including 6 feet water.

When the tunnel was first contemplated it was supposed to occupy two years in its execution, we are now satisfied from experiment it can be completed within the present season, and Mr. Hovey the contractor, is making extensive preparations to that effect, from his plan submitted to us for the prosecution of this work, we are convinced it may become navigable by the 1st of November next.

Arrangements have been made with the stockholders in Lower Canada and New York for the prompt and regular payment of their instalments monthly, and they appear desirous from their communications to us, that we should prosecute the work in the most expeditious manner.—We are therefore enabled to assure the stockholders that this canal is progressing under the most favorable circumstances—it was generally supposed to be an undertaking of magnitude, the greatest difficulty to encounter has been to effect its commencement, this is removed, its prosecution is simple and easy—and if a moderate share of public patronage is afforded us, we anticipate the entire completion of the whole line from Grand River to Lake Ontario during the present season.

GEORGE KEEFER,
President W. C. C.

WELLAND CANAL OFFICE,
St. Catharines, Feb'y 1, 1825.

No. 4.

We the subscribers do hereby promise to pay to Messrs. Wm. Hamilton Merritt and Job Northrop, or either of them, the sum annexed to our respective names, for the procuring the level of the ground between the Chippawa creek and Lake Ontario, for the purpose of ascertaining the expense of a Canal by the nearest and most practical route.

Thomas Clark,	$2—paid.
William Dickson	$2—paid.
Samuel Street	$2—paid.
Robert Grant	$1—paid.
Thomas Racey	$2
John Clark,	5s. cy. paid.
J. Breakenridge	5s. cy. paid.
Alexander Stewart	5s. cy. paid.
J. B. Clench	5s.
R. Leonard	5s.—paid.
J. B. Jones	5s.—paid.
Edward McBride	5s.—paid.
A. Adams	5s.
Adam Brown	10s.—paid.
W. Chisholm	5s.—paid.
W. J. Kerr	5s.

O. Nichol.....5s.—paid.
Lewis Clement.....5s.—paid.
T. Butler.....5s.
John Lampman.....5s.—paid.
John Whitmire.....5s.—paid.
John Buckley.....5s.
John Crooks.....5s.—paid.
James Kirby.....5s.—paid.
Robert Kerr.....10s.—paid.
Peter McDougall.....5s.—paid.
John Grier.....5s.
John W. Muirhead.....5s.—paid.
John Tannahill.....5s.—paid.
Peter T. Paulis.....5s.—paid.
Robert Dickson.....5s.—paid.
William Crooks.....10s.
A. Nelles.....5s.—paid.
R. M. Crysler.....5s.—paid.
John Blackwood.....5s.—paid.
Jos. Wilson.....5s.—paid.
Jared Stocking.....5s.—paid.
John Smith, Inn-keeper, Queenston,.5s.
Richard Woodruff, by request.....5s.—paid.
David Secord, do. .....5s.
Robt. Nichol, Esq. do. .....10s.
John Decou, Esq.....5s.—paid.
David Thompson.....5s.—paid.
Jonathan H. Clendenning.....5s.
William Parnell.....5s.
William Pestover.....5s.
Jacob Hartsell.....5s.
Jeremiah Durham.....5s.
George Adams.....5s.—paid.
Paul Shipman.....5s.—paid.
Garet Schram.....5s.
Benjamin Turmatta.....5s.
George Keefer.....5s.—paid.

No. 5.

An Act to incorporate certain persons therein mentioned, under the style and title of the "Welland Canal Company."

WHEREAS, George Keefer, Thomas Merritt, George Adams, William Chisholm, Joseph Smith, Paul Shipman, John Decow, William Hamilton Merritt, and others, have petitioned to be incorporated for the purposes of this Act, be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec, in North America, and to make further provision for the Government of the said Province,' and by the authority of the same, That the said George Keefer, Thomas Merritt, George Adams, William Chisholm, Jos'h Smith, Paul Shipman, John Decow, and William Hamilton Merritt, or either of them, together with all such persons as shall become stockholders of the Company, hereafter mentioned, shall be, and are hereby ordained, constituted, and declared to be a body corporate and politic, in fact, and by the name of "The Welland Canal Company"; and by that name they and their successors shall and may have continued succession, and by such name shall be capable of contracting and being contracted with, of sueing and being sued, pleading and being impleaded, answering and being answered unto in all manner of actions, suits, complaints, matters, and causes whatsoever; and that they and their successors may and shall have a common seal, and may change and alter the same at their will and pleasure; and also that they and their successors, by the same name of "The Welland Canal Company," shall be in law capable of purchasing, having, and holding, to them and their successors, any estate, real, personal, or mixed, to and for the use of the said Company, and of letting, conveying, or otherwise departing therewith, for the benefit and on account of the said Company, from time to time, as they may deem necessary or expedient.

2. *And be it further enacted by the authority aforesaid*, That the Directors of the Welland Canal Company shall have full power and authority to explore the country, lying between the River Welland, in the District of Niagara, and Lake Ontario, and between the said River Welland and the Grand River, or Ouse, in the said District, and to designate and establish, and for the said Company to take, appropriate, have, and hold, to and for the use of them and their successors, the line and boundaries of two intended canals, with their necessary locks, towing paths, basons, and railways, the one to connect the River Welland with Lake Ontario, and the other to connect the River Welland with the said Grand River, as near the mouth as praticable, and also to select such convenient sites for such and so many mills, manufactories, warehouses, and other erections as may be required by the said Company for the purposes thereof, and to purchase the same to and for the use of the said Company; Provided always, that nothing hereinbefore contained shall extend, or be construed to extend, to compel the owner or owners of any mill seat to sell, convey, or otherwise depart with the same to the said Company; Provided also that the owner or owners of any mill seat or mill seats using any additional supply of water brought thereto by the said canal shall pay a reasonable compensation therefor to the said Company, to be determined as hereinafter provided for determining any damage done to property by the said Company.

3. *And be it further enacted by the authority aforesaid*, That it shall and may be lawful for the said Company, and they are hereby authorised and empowered, from and after the passing of this Act, to supply the said Canal, whilst making and when made, with water from all such brooks, springs streams, water courses, hollows, or other repositories of water, as shall be found in making the said Canals, or within the distance of one thousand yards, (except as hereinbefore or hereinafter mentioned,) from any part of the said Canal, or from any reservoir or reservoirs to be made for supplying the said Canal with water; and the said Company are hereby also authorised and empowered, by themselves and their deputies, agents, servants, and workmen, to make 1 or more reservoir or reservoirs, and such or so many feeders, tunnels, and aqueducts for supplying the said reservoirs and canal with water, and conveying water from any such reservoir or reservoirs to the said canal

as to them shall seem necessary and proper, (excepting as hereinafter or above mentioned;) and for the purposes aforesaid the said Company and their agents, servants, and workmen, are hereby authorised and empowered to enter into and upon the lands and grounds of or belonging to the King's Majesty, his heirs or successors, or to any other person or persons, bodies politic or corporate, (excepting as hereinbefore provided,) and to survey and take levels of the same or any part thereof, and to set out and ascertain such parts thereof as they shall think necessary and proper for making the said Canal and any such reservoir or reservoirs, feeders, tunnels, and aqueducts, and all such other matters and conveniencies as they shall think proper and necessary for making, effecting, preserving, improving, completing, and using, in the said intended navigation; and also to bore, dig, cut, trench, remove, take, carry away, and lay earth, soil, clay, stone, rubbish, trees, roots of trees, beds of gravel or sand, or any other matter or things which may be dug and got in making of the said canal, or in making of any reservoir or reservoirs, feeders, or aqueducts, or out of any lands or grounds of any person or persons adjoining or laying contiguous thereto, and which may be proper, requisite, or convenient for carrying on, continuing, or repairing the said canal, or other the said works, or which may hinder, prevent, or obstruct the making, using, completing, or maintaining the same; and also to make, build, erect, and set up in and upon the said canal, or upon the lands adjoining or near to the same, such and so many bridges, tunnels, aqueducts, sluices, locks, wears, pens for water, tanks, reservoirs, drains, wharves, quays, landing places, and other works, ways, roads, and conveniences, as the said Company shall think requisite and convenient for the purposes of the said navigation; and also from time to time to alter, repair, amend, widen, or enlarge the same, or any other of the conveniences above mentioned, as well for carrying or conveying goods, commodities, timber, and other things to and from the said canal as for the carrying or conveying of all manner of materials necessary for making, erecting, furnishing, altering, repairing, amending, widening, or enlarging the works of and belonging to the said navigation; and also place, lay, work, and manufacture the said materials, on the grounds near to the place or places where the said works or any of them are or shall be intended to be made, erected, repaired, or done, and to build and construct the several locks, bridges, works, and erections belonging thereto; and also to make, maintain, repair, and alter any fences or passages, over, under, or through the said canal, or the reservoirs and tunnels, aqueducts, passages, gutters, water courses, and sluices, respectively, which shall communicate therewith; and also to make, set up, and appoint drawing boats, barges, vessels, or rafts, passing in, through, along, or upon the said canals, as they the said Company shall think convenient; and to construct, erect, and keep in repair any piers, arches, or other works, in, upon, and across any rivers or brooks, for making, using, maintaining, and repairing the said canal, and the towing paths on the sides thereof; and also to construct, make, and do all other matters and things which they shall think necessary and convenient for the making, effecting, preserving, improving, completing, and using the canal in pursuance and within the true meaning of this act; they the said commissioners doing as little damage as may be in the execution of the several powers to them hereby granted, and making satisfaction in manner hereinafter mentioned for all damages to be sustained by the owner or occupiers of such lands, tenements, or hereditaments: Provided that nothing in this act contained shall extend, or be construed to extend, to authorise the said Company to divert or take away for the use of the said canal the water of any stream or river so as to injure any mills within the limits of the said intended canal, without the consent of the owner or owners thereof.

4. *And be it further enacted by the authority aforesaid,* That should the owner or owners, occupier or occupiers, of any mill seats on the line of the said canal, or within five hundred yards thereof, consider the same in any manner injured, or the value thereof in any way depreciated, from the erection of rival establishments, or from any other cause growing out of the cutting and making the said canal, and for the compensation of which no provision is made in this act, it shall and may be lawful for the said Company, and they are hereby required to purchase the same at a fair valuation, founded on an average of former years, to be ascertained by arbitrators, as hereinafter provided, to ascertain the value of lands and tenements to be purchased, or the amount of damages in any case sustained; Provided always that nothing herein contained shall extend or be construed to extend to compel the said owner or owners, occupier or occupiers of any such mill seats, to sell, convey, or otherwise dispose of the same to the said Company.

5. *And be it further enacted by the authority aforesaid,* That it shall and may be lawful for the said Company, in constructing and making the said Canal from Lake Ontario to the River Welland, and from the said Grand River to the River Welland, to take and appropriate, for the use of the said Canal, as much water as they may find necessary from out of the River Niagara, the said Grand River, and River Welland; and it shall be lawful for the said Company to erect, at the mouth of the River Welland, a pier, and at the points of departure of the said Canal, from the said Grand River, and from the River Welland, and at the place of its termination at Lake Ontario, such and so many wharves, quays, piers, fore-bays, locks, and other erections as may be necessary for the use of the said Company and the purposes of transport on the said Canal: provided always that no such erection, work, or device of the said Company shall obstruct the navigation of the said River Welland or the said Grand River, or in any manner prejudice any establishment, work, or depot, of or for the use of the royal navy, or other department of the public service now formed and situate at or near the mouth of the Grand River or River Welland, or upon the banks thereof, or to be placed on any ground more than one hundred yards distant from such points of departure and termination, as aforesaid, and that the powers of obtaining any land for that purpose shall be governed by the provisions therein contained.

6. *And be it further enacted by the authority aforesaid,* That after any lands or grounds shall be set out and ascertained to be necessary for making and completing the said Canal and other purposes and conveniences hereinbefore mentioned, it shall and

may be lawful for all bodies politic, communities, corporations, aggregate or sole guardians, and all other trustees whomsoever, not only for and on behalf of themselves, their heirs and successors, but also for and in behalf of those whom they represent, whether infants, lunatics, idiots, femmes couverts, or other person or persons who are or shall be possessed of or interested in any lands or grounds which shall be set out and ascertained as aforesaid, to contract for, sell and convey unto the said company all or any part of such lands or grounds which shall from time to time be set out and ascertained as aforesaid; and that all such contracts, agreements, and sales shall be valid and effectual in law to all intents and purposes whatsoever, any law, statute, or usage to the contrary thereof in anywise notwithstanding; and the amount thereof shall be established in the manner hereinafter mentioned, for the determination of the value of lands or other tenements to be purchased by the said company, and of the amount of damage committed thereby.

7. *And be it further enacted by the authority aforesaid*, That the Directors of the said Company shall be, and the same are hereby empowered to contract, compound, compromise, and agree with the owners and occupiers of any land through or upon which they may determine to cut and construct the said intended Canal, with all necessary and convenient locks, towing paths, railways, and other erections and constructions contemplated by this act to be cut, erected, constructed, and built, either for the absolute purchase of so much of the said land as they shall require for the purposes of the said Company, or for the damages which he, she, or they shall and may be entitled to recover from the said Company in consequence of the said intended canal, locks, towing paths, railways, and other constructions and erections being cut and constructed in and upon his, her or their respective lands; and in case of any disagreement between the said Directors and the owner or owners, occupier or occupiers aforesaid, it shall and may be lawful from time to time as often as the said Directors shall think fit, for each owner or occupier so disagreeing with the said Directors, either upon the value of the lands and tenements proposed to be purchased, or upon the amount of damages to be paid to them as aforesaid, to nominate and appoint one indifferent person, and for the said Directors to nominate and appoint an equal number of indifferent persons, who, together with one other person, to be elected by ballot by the said persons so named, shall be arbitrators to award, determine, adjudge, and order the respective sums of money which the said Company shall pay to the respective persons entitled to receive the same, the award of a majority of whom shall be final; and the said arbitrators shall, and they are hereby required to attend at some convenient place in the vicinity of the route of the said intended Canal, to be appointed by the said Directors within eight days after notice be given them by the said Directors for that purpose, then and there to arbitrate, award, adjudge, and determine such matters and things as shall be submitted to their consideration by the parties interested; and that each arbitrator shall be sworn before some one of His Majesty's Justices of the Peace in and for the said District, any of whom may be required to attend the said meeting for that purpose well and truly to assess the damages between the parties according to the best of his judgment: Provided always that no arbitrator shall be compellable to attend any such meeting of the arbitrators aforesaid, who shall usually reside more than fifty miles from the place of meeting.

8. *And be it further enacted by the authority aforesaid*, That any award made under this act shall be subject to be set aside on application to the Court of King's Bench in the same manner and on the same grounds as in ordinary cases of submission by the parties, in which case a reference may be again made to arbitrators, as hereinbefore provided.

9. *Provided always, and be it further enacted by the authority aforesaid*, That if any part of the canal shall pass through any tract of land in the possession of any tribe or tribes of Indians in this Province, or if any act occasioning damage to their property or their possessions shall be done under the authority of this act, compensation shall be made to them therefor in the same manner as is provided with and respect to the property, possession, or rights of other individuals; and that in any arbitration required for settling the amount of such compensation, the chief officer of the Indian Department within this Province is hereby authorised and required to name an arbitrator on the behalf of the said Indians, and the amount which shall be awarded in any such case shall be paid to the said chief officer of the Indian Department to the use of the said Indians.

10. *And be it further enacted by the authority aforesaid*, That when and so often as it shall be necessary to cut into any highway in order to conduct the said canal through the same, the said Company of proprietors shall within one month cause to be constructed a secure, sufficient, and commodious bridge for the passing of carriages in order to re-establish the communication between the several parts of such highways, under the penalty of five pounds currency for each and every day after the expiration of the said time, which the said Company shall neglect to construct such secure, sufficient, and commodious bridge as aforesaid.

11. [Repealed by 7th Geo. 4, C. 19, S. 7.]

12. *And be it further enacted by the authority aforesaid*, That if any person or persons shall wilfully, maliciously, or to the prejudice of the said Company, break, throw down, damage, or destroy any bank, lock, gate, sluice, or any works, machine, or device to be erected or made by virtue of this act, or do any other wilful act, hurt, or mischief, to disturb, hinder, or prevent the carrying into execution, or completing, supporting, or maintaining the said canal, every such person or persons so offending shall forfeit and pay to the said Company the value of the damage, proved by the oath of two or more credible witnesses to have been done; such damages, together with costs of suit in that behalf incurred, to be recovered by action in any court of law in this Province having jurisdiction competent to the same; or in case of default of payment, such offender or offenders may be committed to the common gaol for any time not exceeding three months, at the discretion of the court before which such offender shall be convicted.

13. *And be it further enacted by the authority aforesaid*, That if any person shall float any timber upon the said canal, or shall suffer the overloading of any boat

or vessel or raft navigating in or upon the said canal, so as by such over-loading to obstruct the passage of any other boat, vessel, or raft, and shall not immediately upon due notice given to the owner or person having the care of such boat, vessel, or raft, so obstructing the passage aforesaid, remove the same so as to make a free passage for the other boats, vessels, or rafts, every such owner or person floating such timber, or having the care of such boat, vessel, or raft so obstructing the passage as aforesaid, shall forfeit and pay for every such offence the sum of five pounds currency; and if any person shall throw any ballast, gravel, stones, or rubbish, into any part of the said canal, every such person shall for every such offence forfeit a sum not exceeding five pounds currency; which said respective forfeitures shall be paid to the Company, to be by them applied for the purposes of the said navigation.

14. *And be it further enacted by the authority aforesaid,* That if any boat, vessel, or raft shall be placed in any part of the said canal so as to obstruct the navigation thereof, and the person having the care of such boat, vessel, or raft, shall not immediately upon the request of any of the servants of the said Company made for that purpose, remove the same, he shall for every such offence forfeit a penalty of ten shillings of lawful money of Upper Canada, for every hour such obstruction shall continue; and it shall be lawful for the agents or servants of the said Company to cause any such boat, vessel, or raft, to be unloaded if necessary, and to be removed in such manner as shall be proper for preventing such obstruction in the navigation, and to seize and detain such boat, vessel, or raft, and the loading thereof, or any part of such loading, until the charges occasioned by such unloading and removal are paid; and if any boat or vessel shall be sunk in the said canal, and the owner or owners, or the person or persons having the care of such boat or vessel, shall not, without loss of time weigh or draw up the same, it shall be lawful for the agents or servants of the said Company to cause such boat or vessel to be weighed or drawn up, and to obtain and keep the same until payment be made of all expenses necessarily occasioned thereby.

15. *Provided always, and be it further enacted by the authority aforesaid,* That it shall and may be lawful to and for the owners and occupiers of any lands adjoining to the said canal, to use any pleasure boats or any boats upon the said canal for the purpose of husbandry, or for conveying cattle from one farm, or part of a farm or lands, to any other farm or lands of the same owner or occupier (not passing through any lock without the consent of the said Company, their successors, or their principal agent for the time being), without interruption from the said Company or their successors, and without paying any rate or duty for the same, so as the same be not made use of for the carriage of any goods, wares, or merchandize to market, or for sale, or for any person or persons for hire, and shall not obstruct or prejudice the navigation of the said intended canal, or the towing-paths thereof.

16. And Whereas it may hereafter happen from floods, or from some unexpected accident, that wears, flood-gates, dams, banks, reservoirs, trenches, or other works of the said navigation, may be damaged or destroyed, and the adjacent lands or the property thereon thereby damaged, and that it may be necessary that the same should be immediately repaired or re-built to prevent further damages, *be it therefore enacted by the authority aforesaid,* That when and so often as any such case may happen, it shall be lawful for the said Company from time to time, or for their or any of their servants, agents, or workmen, without any delay or interruption from any person or persons whomsoever, to enter into any lands, grounds, or hereditaments adjoining or near to the said intended canal, or branches, reservoirs, or trenches, or any of them (not being an orchard, garden, or yard), and to dig for, work, get, and carry away and use all such stones, gravel, and other materials as may be necessary or proper for the purposes aforesaid, without any previous treaty whatsoever with the owner or owners, occupier or occupiers of, or other person or persons interested in such lands, grounds, or hereditaments, or any of them, doing as little damage thereby as the nature of the case will admit of, and making recompense for such damages to the owners and occupiers of, or other persons interested in such lands, grounds, property, or hereditaments, within the space of six calendar months next after the same shall have been demanded for all damages which shall or may be done by means of such accident, and means of the digging for, getting, working, taking, carrying away, and using such stones, gravel, and materials, or any of them; which damages, and the satisfaction and recompense in respect thereof, shall be settled, adjusted, ascertained, and determined, by the ways and means hereinbefore described with respect to other damages done by the making and completing the said navigation.

17. *And be it further enacted by the authority aforesaid,* That the said Company shall and may in such parts of the said canal as shall not be of sufficient breadth for admitting a boat, vessel, or raft to turn about or lie, or for two boats or other vessels or rafts to pass each other, to open or cut proper spaces or places in the lands adjoining to the said canal, at convenient distances from each other for the turning, laying, and passing of any such boat, vessel, or raft, and that the said boats, vessels, and rafts, being hauled or navigated upon the said canal, shall, upon meeting any other boat or vessel, stop at, or go back to and lie in the said places or spaces in such manner as the Directors, or the major part of them, under their hands shall direct and appoint.

18. *And be it further enacted by the authority aforesaid,* That it shall and may be lawful for the President and Directors of the said Company to regulate from time to time and establish the rates of toll payable by persons navigating upon the said canal; and the said Company shall annually, if required, exhibit an account to either branch of the Legislature of the tolls collected upon the said canal, and of the sums expended in keeping the same in repair, and also of the goods, wares, and merchandize transported in and along the same: *Provided always,* that if at any time after the expiration of five years from the commencement of the navigation upon any part of the said canal the Legislature should deem the tolls levied thereon excessive, it shall be lawful for them to reduce the same to such a standard as they may think just, so that the same shall not be reduced to a rate which will produce to the said Company less than twenty per cent on the capital actually expended in making the said canal.

19. *And be it further enacted by the authority aforesaid,* That the said Company, to entitle themselves to the benefit and advantages to them granted by this act, shall, and they are hereby required to make and complete the said canal, rail-way, towing-paths, and other erections required for the navigation thereof, (as laid down in the Report of Mr. Hiram Tibbet, Engineer,) from Lake Ontario to the River Welland within five years from the date hereof, and from the River Welland to the said Grand River within seven years from the date hereof, so as to be navigable for boats, barges, and rafts; otherwise this act, and every matter and thing herein contained, shall cease and be utterly null and void: *Provided nevertheless* that the said Company shall be entitled to all the advantages of this act inasmuch as relates to the cut to the River Welland in case they complete and finish that part of it within the time limited by this act.

20. *And be it further enacted by the authority aforesaid,* That the Company shall at their first general meeting held after any part of the canal shall be finished, ascertain and fix the rates and dues to be taken by virtue of this act; and that it shall and may be lawful for the Directors of the said Company to alter the said rates at any subsequent meeting, after giving three months' public notice of the same, and that a schedule of rates shall be affixed on the different public places on the route of the said canal.

21. And for preventing disputes touching the tonnage of any boat, barge, or other vessel navigating upon the said canal, *be it further enacted by the authority aforesaid,* That the owner or master of every such boat, barge, or vessel shall permit and suffer every such boat, barge, or vessel to be gauged or measured, and refusing so to permit and suffer shall forfeit and pay the sum of forty shillings currency; and it shall be lawful for the said Company, or their toll gatherer, or such person or persons as shall be appointed by them for that purpose, and such owner or master, each to choose one person to measure and ascertain such tonnage, and to mark the same on such boat, barge, or other vessel, which mark shall always be evidence of the tonnage in all questions respecting the payment of the aforesaid rates or dues; and if such owner or master shall refuse or decline to choose a person in his behalf as aforesaid, then the person appointed by the said Company or their toll gatherer shall have alone the power of ascertaining such tonnage.

22. *And be it further enacted by the authority aforesaid,* That all persons whatsoever shall have free liberty to use with horses, cattle, and carriages, the private roads and ways to be made as aforesaid (except the towing paths) for the purpose of conveying any goods, wares, merchandize, timber, and commodities whatsoever, to and from the said canal, and also to navigate on the said canal with any boats, barges, vessels, or rafts, and to use the said wharves and quays for loading and unloading any goods, wares, merchandize, lumber, and commodities, and also to use the said towing paths with horses for drawing and hauling such boats and vessels upon payment of such rates or dues as shall be established by the said Company.

23. *And be it further enacted by the authority aforesaid,* That the said several dues shall be paid to such person or persons, at such place or places near to the said canal, in such manner and under such regulations as the said Directors shall direct or appoint; & in case of denial or neglect of payment of any such rates or dues or any part thereof, on demand to the person or persons appointed to receive the same as aforesaid, the said Company may sue for and recover the same in any court having jurisdiction thereof, or the person or persons to whom the said rates or dues ought to be paid may, and he is, and they are, hereby empowered to seize and detain such boat, vessel, barge, or raft, for or in respect whereof such rates or dues ought to be paid, and detain the same until payment thereof.

24. [Repealed by 6th Geo. 4, Chap. 2.]

25. *And be it further enacted by the authority aforesaid,* That each share in the said Company shall be twelve pounds ten shillings provincial currency, and the number of shares shall not exceed three thousand; and that books of subscription shall be opened in the several assize towns in this Province within two months after the passing of this act, by such person or persons, and under such regulations, as the majority of the said petitioners, assembled at a meeting to be called by any one of them in the town of Niagara for that purpose, shall direct.

26. *And be it further enacted by the authority aforesaid,* That it shall and may be lawful for any person or persons, His Majesty's subjects or others, to subscribe for any number of shares (not exceeding in the first instance eighty,) the amount whereof shall be due and payable to the Company in the manner hereinafter mentioned, that is to say,—ten per cent on each share so subscribed shall be payable to the said Company immediately after the stockholders shall have elected the number of Directors hereinafter mentioned, and the remainder by instalments of not more than ten per cent at such periods as the President and Directors shall from time to time direct and appoint for the payment thereof: *Provided* that no instalment shall be called for in less than thirty days after public notice shall have been given in all the newspapers in every district of this Province where ary stock shall have been subscribed: *Provided always* that if any stockholder or stockholders as aforesaid shall neglect or refuse to pay to the said Company the instalment due upon any share or shares held by him, her, or them, at the time required by law, such stockholder or stockholders shall forfeit such share as aforesaid, with the amount previously paid thereon; and the share or shares shall be sold by the Directors at public auction after having given thirty days' notice, and the proceeds thereof, together with the amount previously paid thereon, shall be accounted for and applied in like manner as any other funds of the said Company: *Provided always* that such purchaser or purchasers shall pay to the said Company the amount of the instalment required, over and above the purchase money of the share or shares to be purchased by him, her, or them as aforesaid, immediately after the sale, and before they shall be entitled to a certificate of the transfer of such share or shares so to be purchased as aforesaid.

27. *And be it further enacted by the authority aforesaid,* That if the whole number of shares shall not be subscribed within two months after the books of subscription shall have been opened as aforesaid, then

and in such case it shall and may be lawful for any former subscriber to increase his, her, or their subscription; and that after the first instalment shall have been paid to the said Company, the said shares shall become transferable on the books of the Company: *Provided always* that until the said canal shall be completed from the River Welland to Lake Ontario, no part of the funds paid in shall be applied to any other purpose whatsoever, and after the same is completed not more than five thousand pounds shall be expended in the erection of machinery until the cut to the said Grand River is completed; and the said Company shall proceed to the completion of the whole with as little delay as possible.

28. *And be it further enacted by the authority aforesaid,* That so soon as five thousand pounds shall have been subscribed, it shall and may be lawful for such subscribers or any of them, to call a meeting at some place to be named (in the town of Niagara,) for the purpose of proceeding to the election of the number of Directors hereinafter mentioned; and such election shall then and there be made by a majority of shares voted for in manner hereinafter prescribed in respect of the annual election of Directors, and the persons then and there chosen shall be the first Directors and be capable of serving until the first Monday in April succeeding their election; and the Directors so chosen shall, as soon as a deposite amounting to five hundred pounds upon the shares subscribed as aforesaid shall be paid to the said Directors, commence the business and operations of the Company: *Provided always* that no such meeting of the said subscribers shall take place until a notice is published in all the newspapers in this Province at the distance of not less than thirty days from the time of such notification.

29. *And be it further enacted by the authority aforesaid,* That the stock, property, affairs, and concerns of the said Corporation shall be managed and conducted by five Directors, one of whom shall be chosen President, who shall hold their offices for one year, which Directors shall be stockholders, and shall be inhabitants of this Province, and be elected on the first Monday in April in every year, at such time of the day and at such place near the line of the said intended canal, as a majority of the Directors for the time being shall appoint; and public notice shall be given by the said Directors in the different newspapers printed within this Province, of such time and place not more than sixty nor less than thirty days previous to the time of holding the said election; and the said election shall be held and made by such of the stockholders of the said Company as shall attend for that purpose in their own proper persons or by proxy; and all elections for Directors shall be by ballot, and the five persons who shall have the greatest number of votes at any election shall be Directors, except as is hereinafter directed; and if it should happen at any election that two or more persons have an equal number of votes in such manner that a greater number of persons than five shall by plurality of votes appear to be chosen as Directors, then the said stockholders hereinbefore authorised to hold such election shall proceed by ballot a second time, and by plurality of votes determine which of the said persons so having an equal number of votes shall be Director or Directors so as to complete the whole number of five; and the said Directors so soon as may be after the said election, shall proceed in like manner to elect by ballot one of their number to be President, and two of the Directors which shall be chosen at the preceding year, excepting the President, shall be ineligible to the office of Director for one year after the expiration of the time for which they shall be chosen Directors; and in case a greater number than three of the Directors, exclusive of the President who served for the last year shall appear to be elected, then the election of such person or persons above the said number who shall have the fewest votes shall be considered void, and such other of the stockholders as shall be eligible, and shall have the greatest number of votes, shall be considered as elected in the room of such last described person or persons, who are hereby declared ineligible as aforesaid; and the President for the time being shall always be eligible to the office of Director, but stockholders not residing within the Province shall be ineligible; and if any Director shall absent himself from this Province and cease to be an inhabitant thereof for the space of six months, his office shall be considered as vacant, and if any vacancy or vacancies should at any time happen among the Directors, or if the office of President, by death, resignation, or removal from the said Province, such vacancy or vacancies shall be filled for the remainder of the year in which they may happen, by a person or persons to be nominated by a majority of the Directors:—*Provided always* that no person shall be eligible to be a Director who shall not be a stockholder to the amount of at least ten shares.

30. *And be it further enacted by the authority aforesaid,* That each stockholder shall be entitled to a number of votes proportioned to the number of shares which he or she shall have held in his or her own name at least three months prior to the time of voting, (except at the first election) according to the following rates—that is to say, at the rate of one vote for each share not exceeding four; five votes for six shares; six votes for eight shares; seven votes for ten shares; and one vote for every five shares above ten.

31. *And be it further enacted by the authority aforesaid,* That in case it should at any time happen that an election of directors should not be made on any day when pursuant to this Act it ought to have been made, the said corporation shall not for that cause be deemed to be dissolved, but that it shall and may be lawful on any other day to hold and make an election of directors in such manner as shall have been regulated by the laws and ordinances of the said corporation.

32. *And be it further enacted by the authority aforesaid,* That it shall be the duty of the directors to make half yearly dividends of so much of the profits of the said Company as to them, or to the majority of them shall appear advisable; and that once in every three years, and oftener if thereunto required by a majority of the votes of the stockholders, to be given agreeably to the ratios hereinbefore established at a general meeting to be called for that purpose, an exact and particular statement shall be rendered of the debts which shall have remained unpaid after the expiration of the original credit for a period of treble the term of that credit, and of the surplus profits, if any, after deducting losses, dividends, and expenditures.

33. *And be it further enacted by the authority aforesaid,* That the directors for the time being, or a major part of them, shall have power to make and subscribe such rules and regulations as to them shall appear needful and proper, touching the management and disposition of the stock, property, estate, and effects of the said corporation, and touching the duty and conduct of the officers, clerks, snd servants employed by the said Company, and all such other matters as appertain to the business of the said Company, and shall also have power to appoint as many officers, clerks, and servants, for carrying on the said business, and with such salaries and allowances as to them shall seem meet, *Provided* that such rules and regulations be not repugnant to the laws of this Province.

34. *And be it further enacted by the authority aforesaid,* That every treasurer, before he enters into the duties of his office, shall give bond, with two or more sureties, in such sum as may be satisfactory to the directors with condition for the faithful discharge of his duty.

35. *And be it further enacted by the authority aforesaid,* That all penalties and forfeitures for offences against this Act, or against any rule, order, or by-law of the said Company to be made in pursuance thereof, for the levying and recovering whereof no particular mode is hereinbefore directed, shall, upon proof of the offences respectively before any two justices of the peace for the district of Niagara, either by confession of the party or parties, or by the oath of one credible witness (which oath such justices are hereby empowered and required to administer without fee or reward) be levied by distress and sale of the goods and chattels of the parties offending, by warrant under the hand and seal of such justices, (which warrant such justices are hereby empowered to grant,) and the overplus, after such penalties and forfeitures, and the charges of such distress and sale are deducted, shall be returned, upon demand, to the owner or owners of such goods and chattels; and in case such sufficient distress cannot be found, or such penalties and forfeitures shall not be forthwith paid, it shall be lawful for such justices by warrant under their hand and seal, to cause such offender or offenders to be committed to the common gaol of the District of Niagara, there to remain without bail or mainprize, for such time as such justices may direct, not exceeding twenty days, unless such penalties and forfeitures and all reasonable charges attending the same shall be sooner paid and satisfied, all which said penalties and forfeitures when levied and satisfied in manner aforesaid, shall be paid to the said Company, to be by them applied for the purposes of the said navigation.

36. *And be it further enacted by the authority aforesaid,* That the land and ground to be taken and used for the caid Canal, the towing paths and the ditches, drains, and fences, to separate any such towing paths from the adjoining lands, shall not exceed forty yards in breadth, except in such places where the said Canal shall be raised higher or cut above five feet deeper, than the present surface of the land; and in such places where it shall be judged necessary for boats and other vessels, and rafts to turn, lie, or pass each other, not more than sixty-five yards in breadth in any of those places, without the consent of the owner or owners of such land or ground respectively, under his, her, or their hand or seal, in writing, first had and obtained; nor shall any land or ground be let out, ascertained, contracted for, or sold, for the purpose of making any navigable cut, trench, or sluice, to convey goods or other things to or from the said Canal without such consent as aforesaid, anything in this act contained to the contrary notwithstanding.

37. *And be it further enacted by the authority aforesaid,* That after a period of thirty years after the making and completing of the said Canal it shall and may be lawful for His Majesty, his heirs and successors, to assume the possession and property of the same, and of all and every the works and dependencies thereunto belonging, or in anywise appertaining, upon paying to the said Company, their heirs, executors, administrators, and assigns, the full amount of their respective shares, or of the sums furnished and advanced by each subscriber towards the making and completing of the said Canal, together with such further sum as will amount to twenty-five per centum upon the monies so advanced and paid, as a full indemnification to such Company; and the said Canal shall, from the time of such assumption in manner aforesaid, appertain and belong to His Majesty, his heirs and successors, who shall from thenceforth be substituted in the place or stead of the said Company, their heirs and assigns, for all and every the purposes of this Act, in so far as regards the said Canal.

38. *And be it further enacted by the authority aforesaid,* That if any plaint shall be brought or commenced against any person or persons for any thing done or to be doné in pursuance of this Act, or in execution of the powers and authorities or the orders and directions hereinbefore given or granted, every such suit shall be brought or commenced within six calendar months next after the fact committed; or in case there shall be a continuation of damages, then within six calendar months next after the doing or committing of such damages shall cease, and not afterwards; and the defendant or defendants in such action or suit shall and may plead the general issue and give this Act and the special matter in evidence at any trial to be had thereon, and that the same was done in pursuance and by the authority of this act; and if it shall appear to be so done, or if any action or suit shall be brought after the time hereinbefore limited for bringing the same, then a verdict shall be given for the defendant.

39. *And be it further enacted by the authority aforesaid,* That nothing herein contained shall effect in any manner or way whatsoever the right of His Majesty, His heirs and successors, or of any person or persons, or of any bodies politic or corporate, except as is herein expressly provided.

40. *And be it further enacted by the authority aforesaid,* That this Act shall be deemed and taken to be a public Act, and as such shall be judicially noticed by all Judges, Justices of the Peace, and other persons, without being specially pleaded.

No. 6.

NEW YORK, *December 22nd*, 1824.

GEORGE KEEFER, ESQ.,
President of the Welland Canal Comp'y.,
St. Catharine's, U. C.,

SIR,—Your letter dated 16th ult., addressed to the Stockholders of "the Welland Canal Company" in New York has been laid before us; and having met for the purpose of taking the same into consideration we beg to state the result of our sentiments, in all of which we have been unanimous.

We have requested Mr. Thomas Proctor to act as Agent and beg to recommend him as a fit and proper person to attend to the concerns of the Company in this city.

We highly approve of your so soon getting your contract made and commencing operations. It will be greatly to the advantage of the Stockholders to get the whole finished as soon as practicable.

We approve of encreasing the Tunnel to 15 feet wide, (15 feet is the clear of the Erie Canal in this State) as we ought to keep in view, Sloop, as well as Boat navigation in order to render the Stock valuable. We beg leave to recommend to the consideration of the Directors, how far it is practicable (*now*) to make the Canal large enough for Sloop navigation over the ridge from the Chippewa river to the descent towards Lake Ontario, which we understand is not more than three miles. Should this not be deemed prudent at present, but keeping it in view, we think it would be advisable to have an *open cut* instead of a Tunnel—we submit, that if this part of the Canal should be cut for Sloop navigation—the other parts hereafter could be done without any material inconvenience, and would greatly increase the supply for Hydraulic purposes.

In case of the enlargement of the dimensions of the Canal it might become necessary to apply to the Legislature, for an extension of privileges and an increase of capital.

In the above remarks you will please to observe we merely offer our sentiments, as to what we deem desirable to be accomplished, for unless the work contemplated is rendered truly efficient for the purposes of an extensive trade, the Stockholders cannot look with confidence to realize those advantages which may be fairly anticipated, if carried through upon a liberal plan and free from all local interests.

We have agreed to make the payment of the first instalment five per cent. and shall pay it to the Agent on the 1st day of January next.

We have the honor to be,
Sir,
Your most obedient Servants,
WILLIAM McLEOD,
DAVID R. LAMBERT,
JAMES BUCHANAN,
J. B. YATES,
CHARLES MOWATT,
JOHN S. BARTLETT,
JAMES BRYAR,
W. S. CALDWELL.

No. 7.

General description of the Welland Canal, from Lock No. 1., to Lake Ontario, by the Valley of the 12 Mile Creek.

From Lock No. 1, near the Holland road, proceeding by the sight of Mr. Davis' house, following the valley of the middle branch of the 12, by Wilson's farm, continuing by favorable ground to the crossing of the short Hills and Beaver dam road near Mr. Sweazy's house, joining Creek between Sweazy's clearing and wood, continuing by the course of the stream, the banks being sufficiently high, cutting of angles and removing detached stones, pass the junction of the East Branch of the twelve, from thence adhering where practicable, by the course of the stream to *De Cou's* mill pond which must be raised to the level of descending Lock No. 5, departing from the stream and following its left bank, passing two ravines by embankments. One of these embankments is conveniently situated for a waste wier, from thence descending gradually to the middle of Cooper's Plantation where an Embankment 60 feet wide at top, 12 at bottom, and 30 feet in depth, must be constructed, thereby forming No. 16 Lock pond, and avoiding rock excavation in subjacent Lockage, from the point descending the mountain by a succession of Locks, through a defile of sufficient width for Canal size and Lock ponds, joining the Western Branch of the 12 Creek at Brown's bridge, situated upon the Beaver dam and Short Hills road, proceeding partly by stream, to a convenient spot at bottom of Thomas's mill pond for placing Lock No. 25, following the united waters of the creek, cutting several bends, to near Mrs. Campbell's house, where a deviation commences, thereby avoiding many circuitous windings of the stream and securing favorable lengths for middle ponds passing through easy ground, to Blue Hills where the level runs into a plantation. The soil at this place consists of a moist clay loom; no difficulty will be experienced, only care requisite in execution to raise the embankments with sufficient slopes, A short embankment will be required opposite Dettrick's Bridge, proceeding onward through favorable level cutting, passing St. Catharine's road, 100 yards to the left of Bridge, descending by Locks No. 28 and 29, to creek, from thence adhering generally to the course of the stream passing Mr. Merritt and Adam's mill pond, inserting Locks and shortening the Line by several cuts, raising the banks in some places, facing and sloping in others, to the junction with Richardson's creek, where the waters of the 12 are at present 6 feet in depth and expand over a considerable surface for a distance of 2 miles to the Beach, between the 12 mile basin and Lake Ontario.

For passing this length a timber Tracking path must be formed—general fall from the Chippewa to Lake Ontario is 330 feet.

By raising an embankment across the Beach 550 yards in length and 3½ feet in height, an additional depth of water will be obtained in the Basin and in the direction of the tracking path, so that Vessels drawing eight feet water may at *navigable* seasons, proceed to the entrance of the artificial cut, a distance of nearly 3 miles from Ontario.

The cut across the Beach, Guard Lock, and protecting Piers must be executed at the Northern Angle of the Beach, this situation being composed of a strong clay soil and subsoil, is well adapted for timber work and excavation.

FRANCIS HALL,
Engineer.

QUEENSTON, 10*th December*, 1824.

No. 8.

ABSTRACT ESTIMATE of tunnel line by open cutting for a Schooner Navigation, 6 feet depth of water and 25 feet width of surface.

Canal line = 3473 yards × 13 =	45149	cubic yards	at 30 cents.	$ 13,544
Excavation within retaining walls = 3473 × 13 × 3 =	135,447	do.	" 25 "	33,861
Centre Wedge 3473 × 13 × 4 =	180,596	do.	" 20 "	
Slopes 3473 × 4 × 6 =	83,352	do.	" 20 "	52,789
No. 1 Wedge $\frac{47}{2}^{8}$ × 24 × 9 =	50,544	do.		
Pyramid $\frac{4}{3}^{8}$ X 9 X 13.5 =	18,954	do.		
No. 2 1240 X 24 X 7 =	208,320	do.		
Slopes 1240 X 7 X 10 =	86,800	do.		
No. 3. $1\frac{7}{2}^{1}$ X 24 X 6 =	127,200	do.		
Pyramidal spt. $1\frac{7}{3}^{1}$ X 6 X 9	31,860	do.	" 18 "	94,262
Cubic yards =	968,222		Expense,	$ 194,456
Retaining walls = 6946 lineal yards.....$2 per yard,				13,892
				$ 208,348

FRANCIS HALL, *Engineer.*

Queenston, 20th January, 1825.

No. 9.

CHIPPAWA CANAL.

Specification for No. 1 Section.

DESCRIPTION OF THIS CUT.

To commence at the Chippawa River near Brown's farm, passing through favorable ground for a distance of 1733 yards, to commencement of deep cutting. The extent of this excavation, also the various heights are carefully marked upon the section. Extreme length of summit level from the Chippawa to No. 1 Lock head is 3 miles and 1120 yards. The soil and subsoil throughout this section as ascertained by boring is a strong adhesive clay.

DIMENSIONS OF THE CANAL IN GENERAL.

The Canal except in such situations as are after noticed to be 22 feet wide at the bottom or 4 feet under water level. 37 feet wide at the water surface, and 40 feet at the top of the banks. The inside slopes to be 1½ horizontal to 1 foot perpendicular, to be excavated at least 6 inches under bottom, the top of the bank on tracking side before the path is made to be 9 inches and banks on off side, and benchings to be 12 inches above water level. The breadth of the banks, where raised above the natural surface, to be 10 feet at top, on the track path side, and eight feet on the off side, the outside slopes of the embankment to be at least two feet horizontal to one perpendicular.

DIMENSIONS OF THE CANAL THROUGH NO. 1 SECTION.

The Canal from the Chippawa River, to commencement of timber work as after described, and from termination of timber work to No. 1 Lock to be 7 feet in width at bottom or 6 feet under water level, 25 feet wide at the surface of water and 28 feet at top banks, the inside slope to be 1½ horizontal to one foot perpendicular. The tracking path to be formed 9 feet in width, allowing for the base of retaining walls and a benching of 2½ feet upon the off side, making a total width within retaining walls of 36 feet 4 inches. When the depth of cutting exceeds 10 feet, retaining walls must be constructed varying in height and solidity, according to the increased depth of cutting.—These dimensions and mode of construction, also the inclinations for the benchings, tracking path and slopes, will be seen by an examination of the general drawings and elevations. The deepest part of the cutting upon this section extends 2900 yards and must be constructed as under a cut of 12 feet in width to be formed so as to admit Timber frames 36 feet in depth, viz: 3 feet sunk under the bottom of Canal, 6 feet depth of water, and 27 feet above surface.—These frames to be composed either of square or round timber, with ties and braces, the uprights placed two feet distant from each other. The cross beams at the top to be morticed, those at 12 feet above surface of water to be dovetailed and treenailed, all as particularly shewn upon the elevations and sections. Where the cutting exceeds 24 fect above water level, the slopes must be carried back at the usual permanent rates. At a distance of 1450 yards from either end of timber framing, a commodious passing place must be provided 100 feet in length by 47 feet in width, the form and extent of the curves and face, will be seen upon the drawings.

TRACK PATH AND BENCHINGS IN DEEP CUTTING.

In deep cutting and where the level of the track path falls below the natural surface of the ground, the track path will vary from 4 ft. 10 inches to 6 feet wide at the range of the slope, having under 10 feet cutting, a dwarf wall of dry stone work, 15 inches high, coped with turf; the off side benching to vary according to the nature of the soil from 2½ to 4 feet in width.

SIDE PUDDLES.

In cutting where the banks have to be raised above the surface of the ground a proper puddle must be formed, by cutting a puddle gutter of 1 yard wide, having its edge next the Canal two feet back from the line of the top water. This gutter to be cut

down through the loose vegetable soil, and into stuff that will retain water. The gutter to be filled with proper worked puddle of strong soil in clay, and to be raised all the thickness of three feet along with the banks, to 9 inches above the water level, it will be observed by the section, that an extent of 750 yards, must be excavated as above.

LINING IN LOOSE OR OPEN GROUND.

Where the ground consists of gravel, sand, porous rock or other substances that will not retain water, both the bottom and sides must be excavated to admit of a proper lining which is to be executed under authority of the Engineer appointed by the Directors, as it cannot be ascertained before hand where lining of this nature will be required, the offers may state a price per superficial or lineal yard, for such bottom and side linings 3 feet thick and by the cubic yard.

DIMENSIONS MAY BE VARIED.

Although the dimensions of the Canal and other works are particularly specified, yet it is to be understood, that the Directors by their Engineer, may later & vary the dimensions of the canal, the slopes, an allowance being made on either side fo thre same. This may be done in the offer specifying a price per cubic yard to be added in case of additional cutting, or to be deducted in case of a diminution of dimensions—any other difference made on the work or additional work thereon to be settled by reference to two persons of skill, mutually chosen, in case the Contractor and Engineer, cannot agree between themselves.

WORK DONE TO SATISFACTION.

The whole work to be done to the satisfaction of the Engineer appointed by the Directors or the Overseer, either of whom may at any time stop the works should they find any part done in an improper manner, or contrary to this specification, unless the Contractor has express orders in writing from the Directors for such deviations.

CONDITION UNDER WHICH PROPOSALS FOR THIS LOT ARE TO BE GIVEN IN.

1st. The cutting and embanking to be estimated by the sections, the accuracy of which, intending Contractors must satisfy themselves.

2nd. The proposals to be made out corresponding with the annexed form which is to be filled up and signed by those making offers.

3rd. The Contractors are to provide all tools, materials and implements of every kind, boats, scows. &c.

4th. Those who give in proposals are required to produce satisfactory certificates of their character and of their ability to do such works; also to find security for the proper and due performance of the works they undertake or agree to leave a sufficient sum or proportion of the price in the hands of the Directors till the works are finished.

5th. To engage to begin the work in one month after the Directors shall accept their offer, and to finish by . 1825.

6th. The contract price to be paid by monthly instalments in such proportions as shall be certified to the Directors by their Engineer, upon the day of each month.

CHIPPAWA CANAL.—PROPOSAL FOR A JOB OF WORK.

For the Lot of work No. 1, as explained in the description and drawings of that Lot, including all work and materials, timber, framing, cutting, embanking, retaining walls and making the canal complete, water tight and navigable—the sum of Pounds.

For lining and side puddling such parts of the Canal as may prove open ground (not including the lining of embankments or side puddles in good ground) per lineal yard of canal or in proportion for any part thereof, where lining may be required Pounds.

N. B. Slips to be paid for at the rate affixed for additional cutting; and be it understood that any trifling deviation proposed or made by the Contractor, for the saving of cutting, if approved of by the Engineer is not to subject him to any deduction.

FORM.

I, do hereby make, offer and agree to do the lot of work No. 1, on the summit level of the Chippewa Canal for the sums and at the prices and rates stated in this proposal, and to conform to the conditions and specifications, which have been perused by me, and as security for my due performance of the work I undertake, propose as my security, &c.

FRANCIS HALL,
Engineer.

Queenston, 14*th* JUNE, 1824.

No. 10.

ABSTRACT ESTIMATE of the Expense of making a Canal from the Chippawa River to Lake Ontario, by Niagara.

		£	s.	d.
Estimate according to particular statement for 3 miles and 1120 yards,.....		13,345	9	10
550 lineal yards plain cutting = 550 X 18 = 9900 cubic yards at 6d per yard,.....		247	10	0
Embankment for Ravine				
	c. yards.			
No. 1. Parallelogram south end $7\frac{7}{2}$ X 3 X 15 = ...	1732			
Slopes Pyramidal $\frac{77}{3}$ X 3 X 7 = ...	546			
No. 2. Parallelogram 66 X 3 X 15 = ...	2976			
Slopes 66 X 3 X 7 = ...	1386			
No. 3. North End $\frac{55}{2}$ X 3 X 15 =.....	1215			

		£	s.	d.
Slopes $\frac{5.5}{3}$ X 3 X 7 =	378			
	8,227			
Deduct Canal size 198 X 13 =	2,574			
Cubic yards at 6d per yard	5,653	141	6	6
Plain Cutting 66 X 13 = 858 yards, 6d.		21	9	0

Ravine Embankment.

	c. yards.			
No. 4. Parallelogram $\frac{3.1}{2}$ X 5 X 15 =	1162			
Slopes $\frac{3.1}{3}$ X 4 X 9 =	360			
No. 5. Parallelogram 66 X 4 X 15 =	3960			
Slopes 66 X 4 X 9 =	2376			
No. 6. Parallelogram Wedge $\frac{1.3.2}{2}$ X 4 X 15 =	3960			
Slopes Wedge $\frac{1.3.2}{2}$ X 4 X 9 =	1584			
	13,402			
Minus Canal size =	2,977			
10,425 at 6d =		260	12	6
One 4 feet culvert = 32 X 4 X 1 = 128 solid yards of Masonry, faces and wing walls = 10 X 3 X 1, X 2 = 60 = 188 yards at 10d per yard,		94	0	0
Plain cutting 528 X 13 = 6864 cubic yards at 6d per yard,		171	12	0

Ravine Embankment.

	c. yards.			
No. 7. Parallelogram Wedge $\frac{2.2}{2}$ X 6 X 15 =	990			
Slopes Pyramidal $\frac{2.2}{2}$ X 6 X 12 =	504			
No. 8. Parallelogram 44 X 6 X 15 =	3960			
Slopes 44 X 6 X 12 =	3168			
No. 9. Wedge $\frac{2.2}{3}$ X 6 X 15 =	990			
Slopes Pyramidal $\frac{2.2}{3}$ X 6 X 12 =	504			
	10,106			
Deduct Canal line =	1144			
8,972 at 6d		224	6	0

Culvert.

Masonry = 39 X 4 X 1 =	156			
Faces, &c. 10 X 3 X 1 X 2 =	60			
216 at 10s.		108	0	0

	c. yards.			
Plain cutting 1430 X 13 =	18590 at 6d.	464	15	0
Embanking 154 X 2 X 15 = 4620				
Slopes 154 X 2 X 4 = 1232 5,852—2002 = 3850 solid yards at 6d.		96	5	0
Hollow 66 X 6 X 15 = 5940				
Slopes 66 X 6 X 12 = 4722 = 10,692				
Deduct Canal size 858 = 9834 solid yards at 8d		327	16	0

East branch of 12 Creek Embankment.

	solid yards.			
No. 8. Parallelogram 88 X 7 X 15 =	9,240			
Slopes 88 X 7 X 14 =	8,624			
No. 9. Wedge $\frac{5.5}{2}$ X 7 X 15 =	2,835			
Slopes $\frac{5.5}{3}$ X 7 X 14 =	1,764			
22,463—Canal size 1859 = 20,604 yards at 8d		686	16	0
Culvert 8 feet = 44 X 8 X 2 = 352 yards of masonry—Faces and wings = 4 X 15 X 1 X 2 = 120 yards of masonry =	472 y's at 10d	236	0	0

	£	s.	d.
A* *Beaverdam Creek and Embankment, with a Culvert of 10 feet diameter.*			
solid yards.			
No. 10. Parallelogram 44 X 6 X 15 = 3960			
Slopes 44 X 6 X 12 = 3168			
No. 11. Wedge $\frac{6}{2}\frac{8}{8}$ X 6 X 15 = 3960			
Slopes $\frac{8}{3}\frac{8}{8}$ X 6 X 12 = 2088			
13176—Canal size 2716 yards = 10460 y'sat 8d	348	13	4
Culvert 38 X 10 X 1 = 380 solid yards masonry—Faces and wings 4 X 16 X 1 X 2 = 128 yards = ... 508 y's at 10s	254	0	0
Plain cutting and embanking = 1210 X 13 = ... 15,730 y's at 6d.	393	15	0
Deep cutting and dividing ridge.			
cubic yards.			
No. 12. Canal line = 792 X 13 = 10,296			
Wedge = $2\frac{8}{2}\frac{6}{6}$ X 7 X 14 = 14,014			
Slopes = $2\frac{6}{3}\frac{6}{6}$ X 7 X 10.5 = 6,982			
No. 13. Wedge = $5\frac{0}{2}\frac{6}{6}$ X 7 X 14 = 24,794			
Slopes = $5\frac{0}{3}\frac{6}{6}$ X 7 X 10.5 = 12,348=68,434 yards at 6d.....	1,710	17	0
Plain cutting and embankment to Lock No. 1. = 220 X 13 = ... 2,860 yd's at 6d	71	10	0
Do. from No. 1 to No. 9 Lock = 1650 X 13 = ...21,450 yd's at 6d	536	5	0
9 Locks, including excav. & embank. Lock pits according to particular estimate for lockage	3,231	0	9½
Grubbing, &c, to Lock No. 9 inclusive, ...	150	0	0
Loose rock excavation = 176 X 13 = 2288 solid yards at 1s.	114	8	0
Locks Nos. 10, 11, 12, 13, 14, 15, & 16, including Lock pits and excavation,.....	2,549	2	8
Loose rock excavation 484 X 13 = 6292 yards at 6d.	157	6	0
Extra cutting between No. 17 & 18 locks = 483 X 13 X 2 yards = 12584 c. yd's Slopes,..... 430 X 2 X 4 do. = 3440 do.=16,024at 1s	801	4	0
Locks Nos. 17 & 18.....	719	15	0
Plain cutting and embanking = 1320 X 13 = 17160 yards at 6d.	858	0	0
Lock No. 19 with embankment for lock head.....	361	10	9
Culvert 4 feet diameter, and Embankmeut.			
solid yards.			
Parallelogram 44 X 3 X 15 = 1980			
Pyramidal $\frac{4}{3}\frac{4}{3}$ X 3 X 6 = 396			
Parallelogram 132 X 3 X 15 = 5940			
Pyramidal $1\frac{3}{3}^{2}$ X 3 X 6 = 792 = 9108 yards			
Deduct canal size 2288 = 6820 at 8d.....	227	6	8
Culvert 28 X 4 = 112 solid yards of masonry, wings, &c. 10 X 3 X 1 X 2 = 60 do.—total yards 172 at 10s.....	86	0	0
Plain cutting 902 X 13 = 11726 at 6d.....	293	3	0
Lock No. 20, including lock pit.....	283	7	0
Plain cutting and embanking 506 X 13 = 6578 yards at 6d.....	164	9	0
Locks Nos. 21 & 22, including Pond excavation	738	4	0
Plain cutting and embanking 374 X 13 = 4862 yards at 6d.....	121	11	0
Lock No 23.....	359	17	6
Plain cutting and embanking = 946 X 13 = 12532 yards at 6d.....	313	6	0
Lock No. 24, with excavation,.....	314	4	0
Plain cutting 550 X 13 = 7150 yards at 6d.	178	15	0
Lock No. 25, ...	359	17	6
Plain cutting and embanking = 2860 X 13 = 37180 yards at 6d, ...	929	10	0
Lock No 26,.....	340	0	0
Plain cutting and embanking 2222 X 13 = 28,886 yards at 6d.....	722	3	0
Lock No 27,.....	340	0	0
Plain cutting, &c. = 1298 X 13 = 16,874 yards at 6d.....	421	17	0
Lock No. 28.	359	17	6
Embankment and Culvert 10 feet diameter.			
Wedge = $\frac{6}{2}\frac{6}{}$ X 15 X 6 = 2970 solid yards,			
Slopes = $\frac{6}{3}\frac{6}{}$ X 6 X 12 = 1584 do.			
Wedge = $1\frac{3}{2}^{2}$ X 15 X 6 = 5940 do.			
Slopes = $1\frac{3}{3}^{2}$ X 6 X 12 = 3168 do.			
13,662 yards minus canal size 2574 yards = 11,088 yd's at 8d.	369	12	0
Culvert = 39 X 10 X 1 = 390 solid yards of masonry,			
Faces & wings 5 X 12. 1 X 2 = 120 do. = 510 yards at 10s per yard,.....	255	0	0

	£	s.	d.
Plain cutting and embankments = 2728 X 13 = 35464 yards at 6d,	886	12	0
Lock No. 29, including lock pit	359	17	6
Embanking 3 Mile Run.			
Parallellogram 22 X 15 X 4 = 1320 solid yards,			
Slopes 22 X 4 X 8 = 704 do. =2024 yards at 6d.	50	12	0
Grubbing partially 10 miles at £50 per mile,	500	0	0
Embanking 2 Mile Run.			
Wedge $\frac{2.2}{2}$ X 15 X 5 = 825 cubic yards,			
Slopes $\frac{2.2}{3}$ X 5 X 10 = 350 do.			
Parallelogram 44 X 15 X 5 = 3,300 do.			
Slopes 44 X 5 X 10 = 2,200 do.			
Wedge $\frac{4.4}{2}$ X 15 X 5 = 1,650 do.			
Slopes $\frac{4.4}{3}$ X 5 X 10 = 700 do. = 9025 y's m. canal size 2002 y's = 7023 at 8d	234	2	0
Culvert 36 X 10 X 1 = 360 yards of masonry,			
Wings & Face 5 X 12 X 1 X 2 = 120 do. = 480 yards at 10s,	240	0	0
Culvert near Court House 28 X 4 X 1 = 112 yards of masonry—3 X 10 X 1 X 2 = 60 yards of do.—total 172 yards at 10s.	86	0	0
Plain cutting and embanking = 4422 X 13 = 57,480 yards at 6d,	1437	3	0
Locks Nos. 30, 31, 32 & 33.	1440	0	0
Pond between do. Locks = 352 X 13 = 4576 at 6d.	114	8	0
Road and occupation bridges at one per mile 20 X 40 =	800	0	0
3 pair of stop gates and recesses at £24 each,	72	0	0
Ten per cent for incidental expenses,	4107	4	1
Total,	45,179	14	$1\frac{1}{2}$
Plain cutting omitted at ▲ = 528 X 13 = 6864 yards at 6d.	171	12	0
Ten per cent upon do.	17	3	2
	45,368	9	$3\frac{1}{2}$

FRANCIS HALL, *Enginesr.*

Queenston, 10th December, 1824.

No. 11.

ESTIMATE of the expense of making a Canal from the Chippawa River, by the Valley of the 12 *Mile Creek.*

	£	s.	d.
To Lock No. 1, according to particular estimate, distance 3 miles and 11,120 yards	13,345	9	10
Lock No. 1, timber, workmanship, iron and excavation of earth work	359	17	6
Plain cutting between No. 1 and 2 Locks, = 1452 X 14 = 20,328 cubic yards, at 6d	508	4	0
Grubbing, &c., 1452 yards	32	0	0
Lock No. 2	359	17	6
From No. 2 to No. 3 Lock, cutting = 2816 yards, and ½ cutting, widening and sloping banks = 19,712 cubic yards at 6d	492	16	0
Lock No. 3	303	7	9
From No. 3 to No. 4 Lock, distance 2376 yards, at ½ cutting, sloping, &c. = 16,632 yards, at 6d	415	16	0
Lock No. 4	307	14	6
From Lock No. 4 to DeCow's mill-pond, distance 2420 yards, ½ cutting, &c. 7 X 2420 = 16,940 cubic yards, at 6d	423	10	0
Clearing of detached stones in this length	7	14	0
From DeCow's mill-pond to No. 5 Lock, length 746 yards, side cutting 946 X 23 = 21,758 solid yards at 6d	543	19	0
Embankments = 99 X 3 X 7 = 2079 cubic yards, slopes, &c. = 99 X 7 X 14 = 9702, do total 11,781 yards at 6d	294	10	10
Lock No. 5	359	17	6
From No. 5 to Lock No. 6 = 286 lineal yards, extra cutting = 286 X 23 = 6578 cubic y'ds, at 6d	164	9	0

	£	s.	d.
No. 6 Lock	359	17	6
From No. 6 to No. 7 Lock, 305 X 10 = 3050 cubic yards, at 6d	76	5	0
Lock No. 7	360	0	0
From Lock No. 7 to No. 9 Lock = 198 lineal yards at ½ cutting, widening, &c. = 1386 yards, at 6d	69	16	0
Locks No. 8 and 9	720	0	0
From Lock No. 7 to No. 9 = 2002 cubic yards, at 6d	50	1	0
Locks Nos. 10, 11, 12, 13, 14 and 15, with middle and side ponds = 6578 yards, at 6d. £164 9s.—lockage £2,160, total	2,324	9	0
Cross embankment between No. 15 and 16 Locks = 300 cubic yards of earth, lining, piling and securing, at 5s. per yard	75	0	0
Locks No. 16, 17, 18, 19, 20, 21, 22, 23 and 24 =	3,240	0	0
Ponds for centre and sides = 10,880 yards, at 6d	272	0	0
Grubbing 1320 yards	75	0	0
From Lock No. 24 to Thomas's mill-pond, cutting, widening and raising, 2244 X 16 = 35,904 cubic yards, at 6d	897	12	0
Lock No. 25	359	17	6
From Lock No. 25 to 26, 1474 lineal yards, cutting, sloping and embanking 14,740 cubic yards, at 6d	368	10	0
Lock No. 26	360	0	0
From Lock No. 26 to No. 27, distance 2508 yards, widening, embanking, &c. = 15,048 cubic yards, at 6d	376	4	0
Lock No. 27	359	17	6
From Lock 27, deviation by Blue Hill to Lock No. 28 = 41,470 cubic yards, at 6d	1,036	15	0
Locks No. 28 and 29	720	0	0
From Lock No. 29 to 30 = 1386 lineal yards, grubbing, widening, sloping, &c. 9702 cubic yards, at 6d	242	11	0
Lock No. 30	359	17	6
From Lock No. 30 to 31, lineal distance 1650 yards widening, &c. = 16500 yards at 6d	402	10	0
Lock No. 31	359	17	6
From Lock No. 31 to No. 32, lineal distance 1610 yards widening, embankments, &c. 16,100 cubic yards at 6d	402	10	0
Lock No. 32	359	17	6
From Lock No. 32 to opp. Ball's mill, lineal distance 1991 yards embanking and sloping, = 13937 yards at 6d	348	8	10
Waste wiers, average £24 each	528	0	0
Guard Lock of 3 feet rise and 7 feet depth of chamber, 50 yards excavation as per separate estimate,	1000	0	0
Embankment across entrance of 12 Mile Pond = 978 yards X 6 X 1 = 5868 cubic yards at 1s per yard.——	293	8	0
Protecting Pier, as per particular design, extending into Lake Ontario, 84 yards to 8 feet water,	2,147	4	6
Raising Decou's Mill Pond	274	10	6
Do. Merritt & Adams' do	200	0	0
Tracking Path for 2 miles through the 12 Pond = 25 solid feet of timber per lineal yard = 88000 solid feet at 15s per hundred	660	0	0
Workmanship of 3520 frames at 5s each	880	0	0
One pair of stop gates and recesses for this line	24	19	6
Road Bridges, six in number, at £40 each	240	0	0
Ten per cent for contingencies, &c.	3,874	4	3
Total	42,616	7	0

FRANCIS HALL, *Engineer.*

Queenston, 10th December, 1824.

No. 12.

General description of the Welland Canal from the Chippawa River to Lake Ontario by Niagara.

From the Chippawa River, Brown's farm, to No. 1 Lock, a distance of 3 miles and 1120 yards is common to both lines—leaving the middle branch of the 12 creek continuing to the north east upon the summit level, crossing a ravine, from thence passing Captain Napier's creek, in nearly a straight course to Wilson's clearing—crossing west branch of the Beaver Dam Creek by a culvert of eight feet diameter in the foregoing length; two culverts, each 4 feet diameter, must be constructed, pursuing a favourable course to the main branch of the Beaver Dam Creek, where a culvert of 10 feet will be requisite, proceeding by easy ground to Carroll's house, thence to westward, or Van Every's barn, crossing falls and Beaver Dam road into Shriner's farm, pass the dividing ridge between the Beaver Dam Creek and mountain face by deep cutting 25 feet at summit to No. 1 Lock—descend the mountain by favorable ground through a

defile to the east of Mr. Keefer's house, crossing St. David's road; continuing by the course of a narrow ravine to near Mr. Ball's, where loose rock excavation will be experienced.—From thence, crossing the line between Thorold and Grantham, leave 10 Mile Creek to the left and Grasse's house to the right, passing Young's farm, crossing road and ravine through Stull's orchard, passing a road and ravine between Bradd's and Vanderlip's No. 19 Lock onward through the black swamp woodlands, to intersection of Niagara road, proceeding parallel with this road, crossing 4 and 3 Mile Creeks by culverts, proceeding to near Mr. Ball's, leaving Swamp Road to the right, crossing 2 Mile Run by a culvert of 8 feet; again crossing Niagara road opposite Mr. Butler's house, continuing in a north east direction, crossing three roads and two small ravines, leaving Niagara upon the left, proceeding upon the plains to the head of a small hollow, north east of church,—from thence descending to Lake Ontario, where sufficient depth of water and secure anchorage may at all seasons be obtained.

FRANCIS HALL,
Engineer.

Queenston, 10th December, 1824.

IN THE YEAR 1825.

From the extensive correspondence and various publications during the two preceding years, public attention was at length drawn to the undertaking.—The New York Stockholders recommended an open cut, with a view of hereafter extending the dimensions of the canal, and although two shafts had been sunk—the two ends of the deep cut opened to bottom level—the timber for tunnel got out, and every proposition entered into, they discontinued the work, incurring a loss thereby of nearly £5,000.—This year was memorable in Europe for an unusual degree of enterprize and speculation in stocks and funds of every description. Messrs. McGillivray & Galt, Commissioners of the Canada Company arrived in this Province and took an active part in promoting this object—from their representations of the facility of obtaining capital in Europe, the Directors petitioned and obtained the act which passed on 13th April, 1825, as referred to above, increasing the Capital Stock to £200,000, defining the route; allowing stockholders to withdraw, and appointing the Bank of Upper Canada Treasurer. (*See act appended hereto, marked No.* 1.) On which the President repaired to New York, obtained stock to the amount of £75,000—then to Montreal and Quebec—a re-survey took place, Engineers finding they could not descend the mountain at Mr. Decou,s without a combination of locks discontinued further operations—explored a new route, which produced the reports of Messrs. Clowe's & Roberts respecting the same. (*See Reports of Messrs. Clowes and Roberts, annexed to a report of the House of Assembly, which is hereto appended, and marked* 4.) Also of Messrs. Geddes & Hall, respecting the Harbor at Port Dalhousie. (*See Reports of Messrs. Geddes and Hall, marked No.* 2 *and No* 3, *and hereto appended.)*—This year likewise brought into action all those feelings of cupidity, envy, jealousy, and distrust, which unhappily characterize our nature.—Those who had heretofore looked on with appathy and indifference conceiving the project to be altogether visionary, began to exert themselves to endeavour to direct the route to the frontier. It is unnecessary to recapitulate the means resorted to, but the reports and proceedings of the different meetings, (*see proceedings of a Meeting at St. Catharines hereto appended, marked No.* 7,) and the list of Stockholders, many of whom withdrew, (*See list of stockholders and withdrawals hereto appended, marked No.* 8,) will more clearly shew the struggle which ensued on both sides.—The increased dimensions of the canal and consequent increase of capital, for the procuring of which we relied wholly on Messrs. McGillivray and Galt, was the commencement of that arduous struggle, with which the Stockholders and Directors of this Company had to contend; my own judgment was at the time against the enlarged dimension, as I did not view the prospect of obtaining so large a capital so favorable as those who I admitted to be far more competent judges—and the result, whatever may have been the difficulties experienced, has confirmed my error, as the Canal on the smaller scale would never have answered the desired object.—(*See suggestions on Steam Boat Navigation. No.* 9.) Mr. McGillivray visited the line of canal, was highly pleased with the route, recommended Mr. Boulton's mission to England immediately, as he could not leave himself, as was originally intended, to take up the remaining proportion of stock which had been obtained expressly for that purpose—contracts were let out on the entire line of canal, and the most active operations commenced. This year also furnished the Director of 1835 with the following subjects, which he claims as a new discovery:

1st. The alteration of the route.—2nd. Mr. Boulton's mission to England.—3rd. Mr. McGillivray's letter respecting the Books.—4th. The resolution promising to grant Mr. Keefer water for a flouring mill.

By reference to the proceedings of a committee appointed by the House of Assembly this year, (*See Report, &c. appended hereto, marked No.* 4.) we find the objection made by Mr. Gordon to the the alteration of the route withdrawn. The Hon. William Allan's evidence on the subject of Mr. Boulton's mission, the evidence of the Directors and the different individuals who were then interested, for and against it, and who we may fairly suppose understood the nature of the transaction quite as well as the individual who comes forward 10 years after the occurrence took place; we also find by the minutes of the Board the bonus granted Mr. Keefer for water privilege, rejected by General Beach.—The letter written by Mr. McGillivray referred to books then in existence, before the work was fairly in progress, instead of the books of account generally, as the public are led to believe—that Mr. Wenham was appointed after this period—enters upon an entire set of new books—that Mr. Boulton actually repays the money advanced, which is again repaid him at a subsequent meeting of the Directors, and that all the matter he has referred to has been canvassed from year to year, and by this time should fairly have passed into oblivion.

The Directors of this year were the Hononorable John Henry Dunn, and Henry John Boulton, James Irvine, Simon McGillivray, James Clarke Buchanan, George Keefer, and William Hamilton Merritt, Esquires.

DOCUMENTS *referred to in the foregoing remarks, viz:*

Act of Parliament 6th Geo. 4th, chap. 2., passed 13th April, 1825.....	marked	No. 1.
Report of Mr. Geddes, Civil Engineer	do.	No. 2.
Report, &c. of Mr. Hall, Civil Engineer	do.	No. 3.
Report and Evidence of Select Committee of House of Assembly, 2nd Session, 9th Parliament,.....	do.	No. 4.
Minutes of the Board of Directors for 1825, ...	do.	No. 5.
Report of the Board of Directors for 1825,.....	do.	No. 6.
Proceedings, &c. of a meeting at St. Catharines, ...	do.	No. 7.
List of Stockholders and Withdrawals	do.	No. 8.
Suggestions on Steam Boat Navigation	do.	No. 9.
Letters from New York recommending Mr. Geddes,.....	do.	No. 10.

No. 1.

AN ACT *to repeal part of and extend the provisions of an act passed in the fourth year of His present Majesty's reign, entitlnd, "An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company."*

Whereas it is expedient to repeal part of and amend an act passed during the last Session of the Parliament of this Province, entitled "An Act to incorporate certain persons therein mentioned, under the style and title of the Welland Canal Company"; and to enable the Directors thereof to enlarge the dimensions of the said Canal if they shall think proper; *Be it therefore enacted by the King's Most Excellent Majesty*, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an act passed in the Parliament of Great Britain, entitled, "An Act for making more effectual provision for the Government of the Province of Quebec, in North America, and to make further provision for the Government of the said Province," and by the authority of the same, That the 24th clause, the thirty-seventh clause, and so much of the twenty-fifth clause of the said first mentioned act as declares the number of shares shall not exceed three thousand, shall be, and the same are hereby repealed; and that from and after the passing of this act the number of shares to be held by the said Company shall not exceed sixteen thousand, at twelve pounds ten shillings each.

2. *And be it further enacted by the authority aforesaid*, That from and after the passing of this act the land and ground to be taken and used for the said canal, the towing paths, ditches, drains, and fences, to separate any such towing paths from the adjoining lands shall not exceed sixty yards in breadth, except in such places where the said canal shall be raised higher or cut above five feet deeper than the present surface of the land; and in such places where it may be judged necessary for boats and other vessels and rafts to turn, lie, or pass each other, not more than one hundred yards in breadth, without the consent of the owner or owners of such lands or grounds respectively, under his, her, or their hand and seal first had and obtained, anything in the said first mentioned act to the contrary notwithstanding.

3. *And be it further enacted by the authority aforesaid*, That it shall and may be lawful for the President and Directors of the said Company to extend the dimensions of the said Canal for the purposes of Sloop navigation if they shall see fit to do so, any thing in the said first recited act to the contrary notwithstanding.

4. *And be it further enacted by the authority aforesaid*, That it shall and may be lawful for the said Company to construct a track or towing path, from the point where the Canal from Lake Ontario intersects the River Welland to the point where the Canal leaves the River Welland for the Grand River, and from the point where it intersects the Grand River, on the bank thereof, to Lake Erie; also from the point where the Canal from Ontario intersects the River Welland, to the mouth of said river on either bank thereof, which ever the Company may find most convenient, and from thence to Fort Erie at the head of Niagara River: *Provided always*, nevertheless, that nothing in this Act contained shall be construed to prevent any person or persons whatever from having and enjoying the use of the said rivers or either of them, and of the banks thereof, (subject to such regulations as may be made by the said Company for the preservation of the towing paths or tracks aforesaid) for all purposes as fully, freely, and effectually, as if this Act had never been made.

5. *And be it further enacted by the authority aforesaid*, That the authority given to the said Company in the third clause of the said recited Act to construct reservoirs shall be construed to authorise them to execute the said reservoirs (in the manner pointed out) on the line of the Canal if to the said Company it shall seem expedient.

6. *And be it further enacted by the authority aforesaid*, That so much of the twenty-ninth clause of the said recited Act as requires the election of five Directors, be and the same is hereby repealed; and that the said Company shall elect in manner and at the times pointed out by the said Act, seven Directors, annually, (one of whom shall be President) to manage the affairs of the said Company.

7. *And whereas* doubts may be hereafter entertained with respect to the direction by which it was intended the said Canal should be conducted in order to entitle the said Company to the privileges extended by the above recited Act, the same not having been otherwise declared in the said Act than by reference to the Report of Mr. Hiram Tibbet, Engineer; *be it therefore further enacted by the authority aforesaid and declared*, That the route along which the said Canal shall be conducted shall be as follows, that is to say—that part thereof which is to connect the River Welland with Lake Ontario shall commence at John Brown's farm on the River Welland in the township of Thorold, passing down the valley of the Twelve Mile Creek and terminating in Lake Ontario at the mouth of the said Creek, such being the route surveyed and reported by Hiram Tibbet, Engineer, before the passing of the said Act, and referred to in the nineteenth section thereof; and that part thereof which is to connect the River Ouse or Grand River with the River Welland, shall commence at or near Broad Creek on the Grand River, and terminate at or near Misiner's Mills on the forks of the River Welland; *Provided always*, nevertheless, that if within three months after the

passing of this Act any Stockholder in the said Company shall by instrument in writing executed in the presence of one or more witnesses under their hands and seals, declare to the President and Directors of the said Company that they would not, under the provisions of this Act. have taken shares in the said Canal, such Stockholder shall be considered no longer liable to pay his subscription or any part thereof; and upon repayment to him of such instalments as he may have paid, his shares shall be thenceforth forfeited.

8. *And be it further enacted by the authority aforesaid,* That nothing herein contained shall be construed to authorise the said Company to construct such track or towing path as herein mentioned in any manner to interfere with or prejudice the property of any person or persons having mills, storehouses, wharves, or other buildings, on the banks of either of the said rivers.

9. *And be it further enacted by the authority aforesaid,* That it shall and may be lawful for the Directors now chosen to procure without delay a survey to be made of the harbor at the mouth of the Grand River on Lake Erie, and of the entrance into the Twelve Mile Creek from Lake Ontario, by an able and experienced engineer in order to ascertain whether secure and capacious harbors can be constructed for Sloops and Schooners intended to pass through the said Canal, at an expense which will not occasion the whole estimate to exceed the amount of stock which the said Company are by this Act authorised to hold.

10. *And be it further enacted by the authority aforesaid,* That the whole amount of stock now paid in, and remaining on hand, and such as shall hereafter be paid in upon the subscription of the said Company shall from time to time be deposited in the Bank of Upper Canada, and there placed to the credit of the Welland Canal Company to be withdrawn only by order of a Board of Directors, signed by the President or Vice-President, and countersigned by the Secretary of the Board for the time being.

11. *And be it further enacted by the authority aforesaid,* That no part of the funds of the said Company shall at any time be appropriated to any purpose unconnected with the making the said Canal and the navigation thereof, unless upon specific estimates submitted to a general meeting of the Stockholders to be legally called and approved of by a majority of the stockholders attending such meeting, or by his or their agent or agents duly authorised to act in his or their behalf.

12. *And be it further enacted by the authority aforesaid,* That at and after the next general election of Directors no person shall be eligible to be a Director of the said Company who shall not be a Stockholder in the said Company to the amount of twenty shares, any thing in the twenty-ninth clause of the said Act passed in the fourth year of His Majesty's reign to the contrary notwithstanding.

13. *And be it further enacted by the authority aforesaid,* That the Honorable James Irvine and Simon McGillivray, Esquire, in addition to the five Directors already elected, shall constitute the Directors of the said Company till the next general election, anything in the twenty-ninth clause of the said recited Act to the contrary notwithstanding.

14. *And be it further enacted by the authority aforesaid,* That the holder of five shares shall be entitled to one vote; the holder of twenty shares to two votes; the holder of fifty shares, three votes, and the holders of one hundred shares and upwards, four votes, at all general meetings of the Stockholders.

15. }
16. } [Repealed by 1st William IV, c. 18.]

No. 2.

To the Hon. the Pcesident of the Welland Canal Company.

Gentlemen,

In compliance with your request I have examined the mouth of the Twelve Mile Creek, proposed for the entrance of your Canal into Lake Ontario, a description of which you have in the following Report:

The margin of Lake Ontario at the mouth of Twelve Mile Creek is an extensive smooth plane elevated at the shore about 30 feet above the level of the lake's surface, consisting mainly of a mass of brown clay of great depth, passing, probably far into the Lake, and forming the bottom for a great distance from the shore. The conjecture is quite probable that a shore so soluble in water has been far encroached upon by the lake, consequently the bottom now left is composed of clay over the surface of which lies a bed several inches in depth of rolled stones and pebbles of various sizes, amongst which is a very fine sand, being the insoluble remains of the immense deep clay stratum in which the above hard substances were imbedded. There are likewise formed in this clay stratum large boulders of granite, a few of which are visible on the bottom of the lake—one lies a short distance from the mouth of the creek, at the edge of the water on the west side, from which a cube of nearly 4 feet might be cut. In deepening the lake some such might be met with, but from so few being in sight it is not very probable. Near the surface of the earth, the proportion of sand and gravel is small, but at the water's edge much more abundant. A portion brought up from beneath 9 feet water by boring, was very similar. Piles would be easier driven if the proportion of sand was less.—The action of the waves against the current of the creek has worn on this clayey shore until the two headlands are 616 yards apart, and from the insoluble remains a sandy beach is formed from one cape to the other, so high that the waters break over it. The creek runs through an opening in the beach continually varying in width, and at times entirely shut, overflowing the meadows up stream, until the water rises high enough to run over and cut away the bar of sand. At westermost cape (as shown on the map) is the most favorable situation for a Lock, measuring from the shore at this point N. 60° W. the depths were taken at every 22 yards, and were in feet as follows: 4, 4, 4, $4\frac{1}{2}$, $5\frac{1}{8}$, $6\frac{1}{8}$ $6\frac{3}{4}$ and $7\frac{11}{12}$ from measurement, it results that a depth of eight feet can be had for those 198 yards by the removal under water of 2040 cubic yards, calculating a bottom 10 yards wide, and slope of the sides 18 inches base to 12 perpendicular. In the same direction was measured from the shore 671 yards to 12 feet water, and depths found as follows: at 198 yards, 8 feet; 236 yards, 11 feet; 440 yards, 9 feet 4 inches; 473 yards, 10 feet; 671 yards, 12

feet; calculating said measurements for a depth of 12 feet water, (bottom and slope the same). The quantity to be excavated under water will be about 8,800 cubic yards. The bottom rises and sinks with great regularity to 12 feet water, beyond which it sinks in a short distance to the depth of 21 feet. By running a mole in the direction measured upon, and putting the dam or waste wier at a narrow place 17 or 18 chains up the Creek, near all the movable sand will be shut away from the entrance into the Lock, and as the sand is evidently produced by a solution of the shores and bottom very little would be formed after the erection of the mound. The substance of the bottom of the lake is undoubtedly very closely compacted, as is evident by the rocky appearance under the water, a little west of the proposed entrance, which, notwithstanding the continual action of the waves over it, remains, and gives the appearance of a smooth rocky bottom, but when taken up, proves to be nothing but clay, sand, and small pebbles.—As no person taking a contract for constructing a mole or excavating under the water of this place would engage in it without first making thorough trials of the nature of the substance to be entered into or removed, it is useless by *guessing* to endeavour to make an estimate of a *mole* or the *excavation* required to be performed; but it may be said that appearances are not formidable, and (considering how great an undertaking it is to form an artificial harbor in a lake) that a canal can be made to enter here without encountering great difficulties. The wearing back of the lake shore had been estimated at a yard per year, and a small hovel at the 12 Mile Creek was set 80 yards from the edge of the bank, and at the end of thirty years it was measured, and 40 yards were found to have worn away. Taking into consideration this historical fact which is well authenticated, the lock ought not to be set so near the water as the place marked on the map.

Very respectfully submitted,
By your obedient servant,
JAMES GEDDES,
Engineer.

May 27th, 1825.

No. 3.

To the Welland Canal Corresponding Committee at Niagara.

GENTLEMEN,

According to instructions from your committee, I have proceeded to examine the actual state of Lake Ontario, opposite the proposed Canal, by the outlet of the 12 mile basin.—From the nature of the soil and subsoil in the 12 pond, a general depth of 12 feet water may be obtained by partial excavation, and having recourse to an embankment of 3 or 3½ feet across the beach.—This embankment will extend 264 lineal yards. Upon Lake Ontario side, find the depth and soundings to correspond with the table as under.

Distance in yards from the Beach of Lake Ontario.	Depth of water at different points.	DESCRIPTION OF BOTTOM ASCERTAINED BY BORINGS.
Yards.	Feet.	
120	11	Bottom, 2 inches of blue clay, with a hard rocky substrata.
320	9	Bottom, no clay, with an irregular rocky surface.
420	8	Bottom, of a similar description.
570	8	Bottom, consisting of large detached stones, with a consolodated rocky bottom.
670	8	Bottom, of a similar description, with clay between the interstices of rocky bottom.
770	11	Bottom, rock highly indurated, flat and few stones.
820	12	Bottom, compacted rock.
1020	18	Bottom, detached stones, clay, and rocky subsoil.
1220	18	Bottom, rocky, with clay fissures.
1460	19½	Bottom, 3 inches clay, rocky subsoil, interstices, filled with clay

The above Soundings, Borings, and Trials, have been executed with great care, and determine, beyond conjecture, *that*, the approach from any point of Ontario to the mouth of the Twelve Mile Creek, is *barred* up by a ridge or curved line, composed of *Stone, Clay*, and *Rock;* all of a very indurated nature,—in consequence it requires no demonstration to shew that a Schooner drawing 12 feet water during a moderate gale, cannot approach nearer the Beach than from 12 to 1400 yards. Supposing this object, from necessity, to be carried into execution, the consequence must be, the construction of *solid masonry* for a *Breakwater, Defences*, and side Piers, for a lineal distance of 1460 yards,—recourse must also be had to under excavation of Rock previous to acquiring 12 feet of water at the Beach.—It seems unnecessary to point out more particularly the disadvantages of this situation for a Harbour, even of the most limited description, as it must be apparent to your Committee that the expense of under water excavation *alone*, must render impracticable any attempt to improve this outlet.

I have the honor to be,
Gentlemen,
Your very obedient,
FRANCIS HALL,
Engineer.

Queenston, 24th March, 1825.

REPORT *relative to the termination of the Welland Canal at the Niagara River, near Queenston.*

Having examined a line of canal from Mr. Bassey's house, near the bottom of the mountain to the Niagara River at Queenston, find upon actual measurement that a diminution of *three and one half miles* can be effected in favor of this route over the Niagara line, and *five miles* over that by the valley of the Twelve Mile Creek. From investigations already made, no ground can be found better adapted for canal operations, there being comparatively a *short extent* of *grubbing*, no *culverts* or *embankments* for an extent of six miles, and in so far as regards *distance*

and *expense* this route appears to be worthy of the particular attention of the Welland Canal Directors.

FRANCIS HALL,
Engineer.

Queenston, 1st Feb'y.. 1825.

No. 4.

The Select Committee appointed to Report upon the several petitions of the President and Directors of the Welland Canal Company; of JAMES GORDON, Esq., A STOCKHOLDER IN THE SAID COMPANY; *of JACOB UPPER and others,* INHABITANTS OF THE DISTRICT OF NIAGARA; *of SAMUEL WOOD and others, and of the Inhabitants of the Town of Niagara and its vicinity; have, pursuant to the order of the House, considered the matters to them referred, and have agreed to the following as their* FIRST REPORT.

Your Committee desirous of affording to the House the most satisfactory means of judging of the actual progress of the very interesting and important undertaking in which the Welland Canal Company is now engaged, and also of the prospect of its successful termination, have proceeded to examine such witnesses, and to receive such other testimony as appeared to them most likely to furnish information that might be safely relied on.

Your Committee had also in view the necessity of enabling the House to determine upon the most satisfactory grounds the expediency of authorising the Government of this Province to assist the Company either by a loan or by subscribing Stock, according to the spirit of a resolution passed in the last session; and they have also examined into the various complaints which have been urged by individuals, either against the Charter itself, or the manner in which it has been acted upon. They have further endeavored to inform themselves with respect to the expediency of authorising a deviation from a part of the course of the projected Canal, for the reasons stated in the petition of the President and Directors; and of the propriety of sanctioning the prayer of the petitioners of the Town of Niagara and its vicinity, for permission to cut a Canal, navigable for Boats, leading from the Welland Canal, after it descends the mountain, to the Town of Niagara.

Upon these and other points which incidentally present themselves, your Committee have received the evidence which is subjoined to this report; and they now beg to lay before the House the following remarks as the result of their deliberations upon it.

It appears to your Committee that the calling upon the present Stockholders to pay up a very great proportion of their subscription, while the one half of the Stock considered necessary for the undertaking and authorised on that understanding by the Legislature, has not only not been subscribed, but in truth has not yet been actually solicited, is a measure which if it be even admitted to be strictly legal, is at least not one which the actual Stockholders could reasonably be supposed to have anticipated, or to have been prepared for; and therefore your Committee feel it desirable to relieve them from this unexpected pressure. The evidence will shew for what reason the one half of the Stock was intended to be withheld for a time from the market, and from what circumstances it has been withheld so long. It is the opinion of your Committee that when the necessary documents arrive in England, and a Committee of Agency is properly organized there is little question but the amount of Stock required will be taken up in London, and in the mean time, such is the confidence of the Committee in the ultimate success of the undertaking, that they have no hesitation in recommending to the House the confirmation of their vote at the conclusion of last session, by authorising the Government to borrow on debenture the sum of twenty-five thousand pounds to be loaned to the Welland Canal Company for a period of three years, at the rate of interest paid by the Government, and upon the security of the Company's bond.

This manifestation of confidence the Committee thinks is due to the prompt and strenuous exertions of the Company, by which, as it will be seen, the whole line of the Canal, from the Welland to the Twelve Mile Creek, including also the Harbor on Lake Ontario, has been actually put under contract, under circumstances which leave no reasonable ground for doubt that, with the exception of the deep cut, of which the increased cost is noticed in the evidence, the whole will be completed early in the summer of 1827, for a sum within the amount heretofore estimated; and by this proof of public confidence in the undertaking the Committee are persuaded that the subscription of the remaining Stock will be placed beyond question, so that the Company may proceed, as they have begun, without apprehension.

Upon the second point mentioned in the petition of the President and Directors, namely the sanctioning a deviation in part of the route from the Welland to Lake Ontario for the purpose of shortening the distance, diminishing the expense, and avoiding inconveniences in the descent of the mountain which render a Canal upon the present enlarged scale impracticable upon the former route, except at a very great cost, your Committee have maturely deliberated, and they have no doubt whatever remaining in their minds that the proposed alteration is decidedly expedient; but upon that point the Reports of Messrs. Clowes and Roberts are so entirely satisfactory that, in the absence of any evidence to the contrary, your Committee have concurred in recommending it.

With regard to the remission of duties on such articles as the Company or Contractors are compelled to import from the United States of America for carrying on the work, your Committee found at first some reason to hesitate, from their desire on the one hand to protect the public revenue, and their inclination on the other to see every obstacle removed that might occasion loss or difficulty to the persons engaged in a work of such great consequence to the country. From information which the Committee has received from W. H. Merritt, Esq., since his last examinatiou, there is reason to suppose that the whole amount of duties which it will be necessary to pay upon the importations alluded to, through the progress of the work, will not be less than five or six hundred pounds.

It will be seen by the evidence on that point, that to compel the Contractors to obtain these articles in this Province (or such of them rather as could be

procured here) would subject *them*, and of course ultimately the *Company*, to unreasonable disadvantages, and this being satisfactorily ascertained, the Committee have agreed to recommend a remission of the duties, persuaded that it will not be thought desirable to increase the revenue by enhancing in any degree the cost of a public work undertaken with so much spirit. It is believed that many precedents of such an indulgence are afforded with respect to similar works in England, and your Committee therefore are only at a loss as to the proper mode of extending it in this case. The duties in question are imposed by a recent British Act of Parliament, and therefore your Committee conceives that their payment in the first instance must be complied with, and the relief must be afforded by authorising by law the repayment from the Provincial Treasury of a sum of equal amount.

A careful examination into the various complaints which have been preferred by individuals against the Company, charging them with an unnecessary and improper interference with private rights, has afforded your committee no grounds to believe either that the Charter conveys greater powers than are required for carrying on a work of such a description, or that those powers have been in any manner abused.

Indeed hitherto very little has been done that can have interfered with the improved possessions of any person, and whenever in the course of the work damages are occasioned by the act of the Company, the Law appears to provide a convenient and just method of obtaining compensation.

If unauthorized acts shall be committed occasioning injury to individuals, the Company are liable as a corporate body to an action for such injury. Indeed upon this branch of their inquiries your committee are inclined to suggest that the Company is rather the party that appears to require additional protection, and that it might be neither unjust nor inexpedient to provide that in estimating the damage done to individuals, consideration should be given to the benefit which the individual derives from the Canal, as well as to the injury it occasions, upon the principle explained in the evidence of Oliver Phelps. This is the rule with respect to the Erie Canal in the State of New York, and it appears to your Committee not unreasonable, for they have indeed grounds to believe that the actual value of all the possessions through which the Canal is to pass is already much enhanced in consequence of the projected work, and that not a few of the individuals who have urged complaints against its being taken through their property would be exceedingly disappointed if their applications were literally taken, it being their object rather to strengthen by such remonstrances their claim for damages than to prevent the completion of the Canal.

With respect to the enjoyment, for ordinary purposes, of the privilege of water brought down by the Canal, your Committee conceives that it is proper to provide that if in any case the Canal should interfere with convenient enjoyment of any advantage of water previously existing, free access to the bank of the Canal should be secured to the party.

One of the most material points to be considered by your Committee is the propriety of either *directing* the Company or *authorizing* individuals to build Bridges over the Canal in order to connect the possessions of persons through whose land the Canal will pass. It is evident to your Committee that to multiply Bridges upon a Canal intended for a navigation by Sloops and Schooners would be to increase exceedingly the delay and inconvenience of the passage, and their impression is that Bridges should only be required to be built by the Company where some principal Highway is intersected by the Canal, and that individuals should only be allowed to erect them for the purpose of connecting Buildings or improvements of considerable value, and that restrictions as to the form of such Bridges should be imposed, and also as to the periods during which they should be left closed. Your Committee are happy to believe that the Canal passing through the route now intended will occasion as little inconvenience, of every kind to the inhabitants of the adjacent lands as could be expected to occur in the prosecution of so great a work, and when they reflect upon the incomparably greater advantages which it will bring to those individuals they have less difficulty in recommending that the Navigation should not be embarrassed by the impracticable effort to obviate every inconvenienc e which it must unavoidably occasion.

JOHN B. ROBINSON,
Chairman.

Hause of Assembly Committee Room,
Decr. 7th, 1825.

MINUTES OF EVIDENCE.

Witnesses.

WILLIAM HAMILTON MERRITT, Esq
The Honorable J. H. DUNN.
JAMES GORDON, Esq.
JOHN J. LEFFERTY, Esq. M. P. P.
JOHN CLARK, Esq. M. P. P.
ROBERT DICKSON, Esq.
EDWARD McBRIDE, Esq. M. P. P.
ZACCHEUS BURNHAM, Esq. M. P. P.
DONALD McDONALD, Esq. M. P. P.
The Honorable WILLIAM ALLAN,
Mr. OLIVER PHELPS, and
GEORGE KEEFER, Esq.

Saturday November 26th, 1825.

The Committee met.

THE ATTTORNEY GENERAL in the Chair.

WILLIAM HAMILTON MERRITT, Esq., *called in and Examined.*

Are you Secretary to the Welland Canal Company? I am acting Secretary to the Company.

Have you in your possession the Reports of the Civil Engineers which are referred to in the Petition of the President and Directors of the Company? I have. These are the Reports referred to—the one is a Survey and Report by Mr. Clowes, the other by Mr. Roberts.

[Here the Witness delivered in the Reports which were read and are as follows.]

"FIRST GENERAL REPORT

"TO THE PRESIDENT AND DIRECTORS OF THE WELLAND CANAL COMPANY..

"*For the proposed Line of Route to connect Lakes*

"*Erie and Ontario*,—Commencing at the outlet of "Grand River to make a safe and permanent Harbor "would require a Pier from West side of said River, "running South Easterly into Lake Erie 440 yards, "answering as a Breakwater against the South West "Winds, and giving the current of River a turn the "same course as current in Lake, also a Pier 200 "yards long on the East side, to prevent the water "from spreading itself, by which means a sufficient "quantity of water would be collected in a body, the "current of which would prevent the Bar forming at "the junction of the two waters. Thence following "the Grand River two miles to Broad Creek River, "averaging about 700 feet wide and 16 feet deep wa- "ter, no other expense necessary than forming tow "path where it is proposed to leave the River. In "the first two miles after leaving the River the Land "rises 8 feet above the surface of Lake Erie, and to "water level in said marsh, then crossing said marsh "8 miles to Lot No. 17, 4th Con. Wainfleet, the sur- "face in this distance varies but little in any part, its "general appearance being one vast Swamp inter- "spersed with small Ponds of water, varying from 3 "to 6 feet deep of soft black mud on a bed of strong "blue clay; many places for several hundred acres "together are entirely free from Timber, where it is "wooded it is principally Tamarack; it is evident from "the nature of the Swamp unless the water in the "Canal was 4 feet below the surface of the marsh, it "would not drain it so effectually. The next 2¼ "miles crosses Lot No. 17 and part of 16, 4th Con- "cession Wainfleet to head of Misener's Creek, fol- "lowing course of same, cutting off the curves and "straightening the Creek to first forks below Misen- "ers Mill, water level in the River Welland, the ¾ "mile descent 6 feet to Mr. McDonald's, crossing "rich black alluvial flats heavy timbered, the next 1½ "falls 9 feet; by adhering to the bed of Misener's "Creek the expense would be much diminished, ad- "mitting 10 feet cutting through the marsh, there "would be one Lock of 4 feet descent into the Grand "River, and two of 6 feet each into the Welland; "on this principle there is a summit between the two "Rivers, and would require a Feeder brought from "the Grand River about 16 miles in length; from "the first forks of Misener's Creek to the Welland is "two miles,—to render the same navigable for "Schooners it will be necessary to form a tow path "and deepen the Creek on an average 18 inches; "thence down the Welland to Mr. J. Brown's farm, "to mouth of Canal now in operation, is 9 miles Riv- "er, averaging about 250 feet wide and 12 feet deep, "no other expense necessary than forming tow path "and alteration of Bridges, (making a distance be- "tween Lake Erie and John Brown's farm of 25¼ "miles.)

"Aggregate of Estimate for a Cut
"on the Summit,..... £28157 6 6

do do 11 feet deep
"to drain the marsh more effectually, 45831 13 1½

"To render a Feeder useless and bring the waters "of Lake Erie through the marsh, descending in- "to the Welland by a Lock of 8 feet fall, aggregate "of estimated cost, £69540 13 11

"To connect these Rivers from a small Creek a- "bout six miles above the outlet of the Grand River "by means of the Oswego or Lot No. 5, 2nd Con- "cession Canboro' near M. William Robinson's Mill "is a distance of 5¼ miles, the Land in this route is "composed of strong brown clay excellent for a Ca- "nal, frequently crossing ravines and swails which "would considerably lessen the expense, the Canal "would then descend into the Grand River with 2 "Locks of 6 feet fall each and into the Welland with "3 of 7 feet fall each, a Feeder to supply this summit "is described above. From Mr. William Robinson's to "the intersection of the Oswego with the Welland is "a distance of five miles, the banks of the Oswego are "sufficiently high to admit a Lock being placed at its "outlet, thereby raising the water at Mr. Robinson's "to the depth of 7 feet, making a Canal that distance "at the trifling expense of clearing Creek and form- "ing tow path; thence down the Welland 25 miles "to J. Brown's farm or Canal, the whole distance be- "ing navigable for Vessels drawing 12 feet water, "the only expense necessary is forming tow path and "alteration in Bridges making a distance from Lake "Erie to Brown's farm of 41¼ miles, and aggregate "of Estimate,..... £26930 2 10,

"Section No. 1 intersects the Welland on Brown's "farm at the outlet of a small Creek frequently cross- "ing the same in the distance of ¾ miles to section "No. 2; the outlet of this Creek presents a favorable "situation for forming an extensive Basin, at a com- "parative small expense, and the banks are well sit- "uated for the erection of Warehouses, &c.; the "Welland is very wide at this place—would admit "a number of Vessels, Rafts, &c. to lie without ob- "structing the Navigation of the River.

"At Section No. 2, a Lock must be placed to guard "against the fluctuation of the Welland as well as to "regulate the quantities of water necessary for Na- "vigation and Hydraulic purposes. At No. 2 com- "mences the dividing ridge between the waters of "the Welland and the head waters of the twelve mile "Creek, this ridge commences with 16 feet and runs "2 miles, then descends to 10 feet and varies in height "from 16 to 54 feet deep cutting. In this ridge the "only formidable obstacle presents itself in connect- "ing the two Lakes on the most extensive scale, and "can be done at less than half the expense of any "other situation between Niagara River and Burling- "ton Bay; the nature of the strata this ridge is com- "posed of having been ascertained, its completion as "to time and cost can be accurately computed, say "within two years from the time Contracts have been "entered into; thence to proposed dam at Wilson's "is 1¼ miles—at the end of first half mile falls below "level near Mr. Adley's, running down on ravine "which adds a little to the length, but lessens the "amount of its cost; the next ¾ mile adhering to the "bed of the middle branch of twelve mile Creek to "Mr. Wilson's clear land, where it is proposed to "place a Dam between two projecting points and "raise the water to the same level as the River Wel- "land, forming a Reservoir of 70 or 80 acres, and a "Canal at the expense of clearing Creek and making "tow path; thence 1½ mile to Van Every's near the "Queenston road. In this distance the line crosses "two small ravines and two branches of the Beaver "dam Creek, a short length of deep cutting between "them, lying very convenient for the embankment, "it is proposed to place only one bank and form a "Reservoir at each of the above branches, the South

"one containing about 40 or 50 acres, the North one "would back 7 feet water a distance of 47 chains "forming for that length an excellent Canal and Res- "ervoir of at least 40 acres; from Van Every's to "head of Lock No. 1 in Shriner's ravine, a distance "of one mile crossing a dividing ridge between the "Beaver dam Creek and Shriner's ravine, the sum- "mit of which is 32 feet 10 inches above level, the "strata is blue clay mixed with small stones, not diffi- "cult to excavate: from foot of dividing ridge to "head of Lock No. 1, Shriner's ravine falls to four "feet below level, making a distance between the "Welland and Lock No. 1, of 6½ miles, in the last 3 "miles would be 3 large Reservoirs, the advantages "arising from which are very great, being situated at "convenient distances, so as to afford excellent har- "bors for vessels and lumber to any extent, as well "as to admit any quantity of water to be drawn off "for the supply of locks and machinery without cre- "ating any sensible current in the deep cut.

"In the next ¾ mile ending at the township line be- "tween Thorold and Grantham about half the above "distance, the line continues in Shriner's ravine, the "banks of which are sufficiently high, care being ta- "ken in choosing the most favourable situation for "Locks and Waste weirs; the Canal would average "160 feet wide and from 7 to 11 feet water, leaving "the ravine opposite Mr. Keefer's Distillery, and "running parallel with the mountain below Mr. Kee- "fer's, requiring only a lower bank to form a Canal "on an average 100 feet wide, making this Pond "equal in supply to more than one mile of Canal ob- "tained at a very trifling amount, which forms the "principal part of Reservoir for Locks descending "mountain.

"By adhering to the rake of the mountain we des- "cend by a succession of Locks with a sufficient "pond between each to the head of Shaver's ravine "I would therefore by all means recommend the ad- "option of this route, as it will make a perfect and "complete Canal throughout, without being subject "to the necessary delay in combined Locks.

"Thence 1 mile down Shaver's ravine to intersec- "tion of Dick's Creek and 1¼ miles down Dick's "Creek to bridge at Saint Catharines descending in "the above 2¼ miles 104 feet with 12 Locks, the "banks of this ravine and Creek allow of every ad- "vantage being taken by placing the Locks, Waste "weirs, &c. between projecting points and save near- "ly all the excavation in the bottom of the same, the "whole distance forming a natural Canal 150 feet "wide and 9 feet deep; althongh Dick's Creek is "the main water course for a number of small ravines "its great width, and care being taken in placing "Locks &c. would render all artificial works erected "thereon perfectly secure; at the termination of "Dick's Creek at St. Catharines there are excellent "conveniences for Hydraulic establishments, situa- "ted at the side of the York and Niagara road, com- "manding a great extent of a well cultivated coun- "try. From the bridge at St. Catharines to the outlet "of the twelve mile Creek into Lake Ontario is 5 "miles (making a distance between the River Wel- "land and Lake Ontario of 15¾ miles,) in this dis- "tance the line adheres to the bed of the twelve mile "Creek, with but little variation in the first two "miles, then is 13 feet fall, descended by two Locks, "one at Mr. Merritt's and one at Mr. Adam's mill, "(making 311 feet fall,) descended by 34 Locks be- "tween the Welland and Lake Ontario; the guard "or entrance Lock at harbour (making 318 feet bot- "tom level) all the alterations necessary in the twelve "mile Creek are in the first two miles between St. "Catharines and Mr. Tenbroeck's, the remaining "three miles being rendered navigable by the forma "tion of Harbour.

"To form a good and permanent Harbour at the "twelve mile Pond, it will be necessary to place a "Lock at the foot of West bank, thence carry an em- "bankment across to the East bank 430 yards long, "then placing a waste weir 132 feet wide: a pro- "tecting pier to be carried from the East wing wall "of Lock into Lake Ontario, in a N. W. direction "200, the waste weir standing 3 feet above the pres- "ent surface of water in the Pond would give a depth "of 8 feet water, a distance of 3 miles, and form a "Harbour sufficiently deep for any vessel navigating "Lake Ontario, and in extent upwards of 350 acres, "varying from 4 to 20 feet deep water; to render "the Harbour useful for Vessels navigating the Lakes "but too large for the Canal it is proposed to con- "struct the Lock at the entrance into Lake Ontario "of suitable dimensions for that purpose, a small "quantity of excavation will be required in the "Lake, and at the entrance into the Pond, and a tow "path making up said Pond 3 miles when completed "on the plan proposed will form an extensive Har- "bour by far the most safe and secure of any on Lake "Ontario. Estimated cost from the Welland to Lake "Ontario, including Harbour &c. complete £110,015 "19 8."

ROUTES.	Distance in miles between Lakes	TOTAL AMOUNT.		
"Bringing the waters of Lake Erie through the Cranberry Marsh.	41	£179,556	13	7
"By having a 4 feet summit in the Cranberry Marsh feeder, &c. complete,.....	41	155,847	12	9½
"By way of Oswego, feeder, &c. complete,.	56	136,946	2	6

I am, Gentlemen,
Your obedient servant,
(Signed) SAMUEL CLOWES,
Engineer.

A true copy.
GEORGE SMITH,
Clerk W. C. Co.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

I have examined two routes for that part of the Welland Canal, which is situated between Andrew Wilson's and St. Catharines, and having re-viewed the ground attentively, and examined and compared the Estimates on both those Routes, accompanied by two Members of your Board, and assisted by your Engineers, take the liberty to Report as follows:

1st. On the Route by Shaver's ravine and Dick's creek, or the Easterly Route to St. Catharines, the Estimates of Expense are as follows :—

Grubbing and Clearing 20½ acres,						£268	10 0
Chopping and Clearing 28 do.						84	0 0
Clearing Beaver Dam Creek,						34	9 4
Earth Excavation,	149,948	yards,	£5,623	1	0		
	117,523	"	3,672	11	10½		
	34,727	"	868	3	6		
	4,136	"	68	18	8		
						10,232	15 0½
Rock do.	17,136	"				2,142	0 0
Embankment,	20,484	"	£768	3	0		
	35,078	"	1,096	3	9		
Puddling	7,418	"	185	9	0		
						2,049	15 9
Waste Weirs and Trunks in the Embankment—4, at £10 each,						40	0 0
Lockage—298 feet, at £57 13s. per foot, lift,						17,180	0 0
Bridges over Canal—9, at £60 each,						540	0 0
Fencing Canal,						136	17 6
						£32,708	7 7½

Which is an average of £4,845 13s. 8d. per mile.

On the Route from Wilsons meadow, by Beaver Dam and down the mountain to Brown's flats, and passing Thomas' mills, to St. Catharines, the estimates are as follows :—

Grubbing and Clearing 17 acres,			£284	18 0
Forming Towing Path through Reservoir,			26	8 0
Excavating Earth,			11,604	4 10½
do. Rock,			5,751	17 0
do Loose Stone,			271	14 0
Embankments,	£998	1 3		
Puddling, &c.	97	6 6		
			1,095	7 9
Culvert—1,			10	0 0
Lockage—298 feet, at £57 13s per foot, lift,			17,180	0 0
Bridges over Canal—10, at £60 each,			600	0 0
Fencing Canal			163	5 0
			£36,987	14 7½

On a careful examination and comparison of the calculations made by Mr. Clowes, Engineer, on the different items of expense to be incurred in constructing the Canal on the above mentioned Routes, I am of opinion the same are reasonable, and are such prices as are usually paid for similar kinds of work, on other Canals where I am acquainted.

On the within Route, the mountain is so steep that the following Combinations of Locks will be unavoidable, and is the best arrangement which can be made, viz :

17 Combined Locks. { 3 Combinations of 3 Locks each, and 12 feet lift, nearly. 2 Combinations of 4 Locks each, and 12 feet lift.

These Combined Locks, with short pounds between the setts, reach to the foot of the mountain. It is believed by Mr. Clowes, your Engineer, and with some propriety, that Wooden Locks will not be sufficient for such heavy lifts, and for which reason he has added to the above, 17 Locks, which are to be made partly of stone.

Amount brought from within,		£36,987	14 7½
The amount proposed to be added to make a part of the lift of each of the 17 Locks (on the mountain,) of stone, is estimated at £1,532 each,		26,055	0 0
The distance on this route is 8*m.* 16*chs.* and will cost,		£63,042	14 7½

Which is an average of £7688 2*s.* 8*d.* per mile,

From the above Estimates it appears that, setting aside the allowance for Stone Locks, £26,055,) still there is a difference in favor of the Easterly Route, viz :

West Route by Beaver dam, as above, length 8*m.* 16*chs.* will cost,	36,987	14 7½
East Route by Dick's creek, 6*m.* 60*chs.* will cost,	32,708	7 7½
Difference in favour of the Easterly Route—1*m.* 36*chs.*—and will cost less	4,279	7 0

Duly considering the advantages and disadvantages of the two Routes above estimated, it is but just to observe, that the Westerly Route has many great facilities for making a Boat Canal ; but it must also be observed, that for a Canal of dimensions for Lake

Vessels, it is not so favourable as the Easterly Route: the principal difference consists in the steep declivity where the 17 Locks are to be placed.—These Locks being of great lift, and combined as above stated, will always be a source of unavoidable delay to vessels, or boats, meeting at those Locks, and these inconveniences will be increased in proportion to the trade which passes through them. Double or Combined Locks of wood are more perishable than single Locks, as the intervening Locks are liable to be emptied quite to the bottom, whereas Single Locks have always water in them equal to the depth of the Canal.

From Andrew Wilson's the Easterly route passes a low ridge, and enters the valley of a branch of the Beaver Dam Creek, which will form a Reservoir of 40 or 50 acres, there is also a cut of about 30 feet deep for a short distance, which is ascertained to be soft clay of easy excavation. Passing this Cut the Canal enters Shriner's ravine which will afford a very copious basin, near which the line of Canal crosses the line between the Townships of Thorold and Grantham; and here the descent of the mountain commences, which is very easy and gradual; every Lock it is believed, can be built single: as the line is at present, there would be one combination of about 3 Locks. Another great advantage is, that the Locks need not exceed 8 feet lift, which are much more convenient and durable than those of greater altitude.—Having descended the mountain the line is very straight, with a gentle declivity, to the head of a ravine, which has very much the appearance of a wide Canal; along this ravine the Canal is conducted with but little expense, except the necessary Locks and waste wiers, and clearing away the timber and constructing a towing path. This valley will afford spacious and beautiful Basins at the head of each Lock, quite to St. Catharines, affording at each Lock, also, Hydraulic power equal to the lift of such Lock; and considering the great number of Basins between the Welland River and the Lake Ontario, the supply of water will at all times be both equal and ample.—Being fully satisfied that the Canal from Wilson's Basin by Beaver Dam and Dick's Creek, or the Easterly route to St. Catharines, is not only shorter and cheaper than the more Westerly route, though great pains and much time have been taken by Mr. Clowes Engineer, in order to ascertain the facts, and to locate those Locks to the best possible advantage, down the mountain as above stated, on the Westerly route.—The Easterly route has decidedly the advantage in running more contiguous to public roads, in the capacity of its Basins, and the gentle declivity by which it descends the mountain to the beautiful valley of Dick's Creek, which is at present unimproved and presents no claims for damages of consequence. I would for the above reasons recommend and decide that the Easterly route is the most suitable and proper line for a Canal, both for intrinsic value and for public accommodations of trade, manufactures, &c.

The distance from the Welland River to Lake Oniario, on this route, is fifteen and three fourths miles, and is composed of Canal and Reservoirs, and Basins, in the following proportions:

From Welland River to Deep Cut is	0m 60 ch's.	Canal.
Through Deep Cut	2m 0	do.
To head of Reservoir	0m 40	Reservoirs.

	Canal		Reservoirs	
Reservoir from end of cutting to Wilson's	0	0	0	60 chains.
Cutting from Wilson's to Beaver Dam		73	0	0
Reservoir along Beaver Dam Creek	0	0	0	47
Cutting to Shriner's Ravine	1	0	0	0
Reservoir to Township line at head of Locks	0	0	0	60
Cutting descending mountain to Shaver's Ravine	1	20	0	0
Reservoir and Natural Canal thence to Lake Ontario	0	0	7	20
	m6	33	m9	27

In the above distance we have to excavate an entire Canal but *six miles* and *thirty-three chains:* the remainder of the route is Reservoirs or large Artificial Ponds, formed in Vallies and Ravines, and by being deeper than the Canal will afford much the pleasantest part of the navigation, as boats and veesels can be towed through them with more ease and expedition than along the narrow Canal.

All which is respectfully submitted.

(Signed) NATHAN S. ROBERTS,
Engineer.

St. Catharines, 16th August, 1825.

The Hon. John Henry Dunn, *called in and examined.*

Will you be so good as to state to the Committee what situation you hold in the Welland Canal Company?

I am President of the Company.

Will you have the goodness to state to the Committee such matters as you think may enable them to judge more clearly of the several points embraced in the petition of the President and Directors of the Company presented to the House of Assembly, and to make any representations respecting the progress of the Canal which the Company may desire to offer?

Immediately after the passing of the last Act, a meeting of the Company was held, and the Stock being limited to £200,000 it was thought desirable to reserve £100,000 for the London market—I went to New York, instructed by the Board to get Stock subscribed to the amount of £50,000, but finding a great readiness to subscribe I accepted subscriptions to the amount of £75,000, and might, I think, have got the whole amount if it had been wished for.

The remaining £25,000 was taken up in Lower and Upper Canada. After the above had been subscribed, Mr. McGillivray, a Director appointed by the Act, at whose instance, in a great measure, half the Stock had been reserved for the London market, wished to withhold his reference to England until he could himself personally inspect the route.—He came up in September last for that purpose, and having satisfied himself upon the subject, a meeting of the Board was held at St. Catharine's, and it was resolved to send a gentleman to England with the necessary information to procure subscription of stock.—The Solicitor General accordingly has proceeded to England for that purpose, and in the mean time it is resolved to apply for no more Stock in this

country. The whole line from the River Welland to Lake Ontario is actually put under contract. It is divided into 15 or 20 contracts—the Harbour is also contracted for—the contracts are for a Canal of seven feet six inches in depth of water, thirty-four feet at bottom, fifty-two feet six inches at top, except the deep cut, which is about two miles in length, and is fifteen feet at the bottom and thirty-two feet six inches at top; the Locks are to be made of wood, twenty-two feet in wedth, and one hundred feet in length. According to these contracts that part of the Canal will be completed for the following expense, viz :—

The Deep Cut,.....	£75,000
The remainder including the Harbor,	38,000
	£113,000

The part of the Canal above the Welland and not under contract, as estimated by Mr. Clowes, will cost, including the Harbor at the Grand River, about £60,000, and this estimate is upon a plan for bringing down the water of Lake Erie, instead of being supplied by a Feeder from the summit level. The latter place would have cost, by estimate, somewhere about £23,000. To bring the water of Lake Erie all the way occasions an additional excavation of almost twelve feet.—The contracts actually taken have been all under Mr. Clowes' estimate, except the Deep Cut, which will cost one-fifth more than he had estimated.

The contracts are for completing the whole work contracted for in April 1827.—The contractors are, generally speaking, persons of property, and large Stockholders in the Company.

The Deep Cut is all contracted for by Beech, Hovey, and Ward, who are Stockholders to the amount of $25,000; the harbor and several parts of the line are in progress, but the principal part of the expenditure has been on the Deep Cut, on which from two to four or five hundred hands have been employed since September, and no unexpected obstaclo has hitherto been met with. Regular written contracts have been entered into, which were drawn up by the Solicitor to the Company, and which, if requested, I am ready to produce.

It is the intention of the Company to put the remainder of the Canal under contract this winter or early next season.

Fifteen per cent upon the Stock subscribed has been paid in by the subscribers in New York, and they are now called upon to pay five per cent more. Twenty per cent has been paid in upon the Stock held in Canada. According to the contracts the work is to be paid for monthly; always withholding a portion (about $\frac{1}{4}$) as a security for the performance of the contract.

The subscribers in New York have remonstrated on account of the delay in filling up the Stock, as it occasions instalments to be too rapidly called in, and there is reason to apprehend that some of them may decline further payments; which makes it highly necessary that the Company should be enabled to proceed in the work, if possible, without urging any considerable advance from the present subscribers until the issue of the application in England can be ascertained.—I think, if the application in England fails, it is very unlikely that the stock would be taken up in New York. I am not sure that Mr. McGillivray has yet recommended the measure in England.

The Company have prepared a general report of the origin and progress of the work, accompanied with copies of the Acts, Engineer's Estimates, and Plans, to be transmitted immediately to Mr. McGillivray for the purpose of being sent to England.

The Solicitor General has a power from the Company under the seal of the Company and signed by the Secretary, but not by the President or Vice-President, the President being absent at New York, the power was sent over to Mr. Boulton, sealed at Mr. Boulton's request, and a resolution has been since passed appointing a Committee in England to superintend the taking of stock—which resolution will be sent by the next post to Mr. McGillivray—I do not expect that any stook will be taken in England until the documents spoken of arrive there.

The General Report with respect to the proceedings of the Company is now in the Press.

Before the last Spring the surveys of the Engineer had been confined to the valley of the Twelve Mile Creek, never conceiving that any other route would answer. In Augest last, in the hope of avoiding, by a gradual descent of the mountain, the inconvenience of a combination of locks, which would be necessary on the prescribed route, an attempt was made to find a route by which that inconvenience would be avoided; and that course was discovered and reported upon, which is referred to in the petition, and which is stated to be on every account preferable.

Tuesday, 29th November.

The Committee met—The Attorney General in the chair.

WILLIAM HAMILTON MERRITT, ESQ., *called in and examined.*

Can you state what will be the probable expenditure per month under existing contracts between this and the first of April next?

I have here a statement of the probable expenditure.

[The witness delivered in the same and it was read as follows:]

"SIR,

"At the request of the Committee I subjoin "a statement of the probable amount required per "month for the prosecution of the Welland Canal "between this and the first April next.

"For the Deep Cut, from	£2000	to	£2500
" Harbor,.....	125	"	250
" Contingencies, ...	75	"	100
	£2200	to	£2850

"The Contractors all state the whole line can be "finished by the 1st January, 1827,—but allowing "them the time of their actual contract, we will re- "quire after April the sum of from £6,500 to £7,- "500 per month.

"It is likewise the intention of the Board to put that "part of the line under contract between the Welland "and Grand River, as soon as the Stock is subscrib-

"ed in London, which will require £5000 per "month.

"I am,
"Sir,
"Your obedient servant,
"WM. HAMILTON MERRITT,
"*Agent W. C. C.*

"To the Chairman of Canal Committee,
"Parliament House."

When was it first conceived that the route now prayed for from the Mountain to the Twelve Mile Creek would be the preferable one, and upon whose suggestion?

In July last the Company found a difficulty in descending the Mountain by the old route, near Decou's, on account of want of space to descend without a combination of locks with very high lifts. The proposed extension of the locks, by the last Act created these difficulties, which before did not exist. —The old route had been surveyed and approved of by Messrs. Clowes, Roberts, and Hall, Engineers, and would have been persevered in if the Canal had been confined to Boat navigation.

In July last Mr. Clowes, accompanied by myself and another of the Directors, Mr. Keefer, surveyed the route called No. 2, which was easterly of the old one, but not so far removed from it as the one now prayed for.—Afterwards it was found that still further to the eastward we could descend the mountain at less expense, and with less rock excavation, and that route so reported upon by Mr. Clowes, is the one now desired to be adopted.

Does Mr. Clowes' report contain, in your opinion, a correct statement of the comparative advantages of the old and new routes?

It does; and it is entirely for the reasons there stated that the Company wish the route changed.

Has any other surveyor been employed to survey the country in order to find the best route?

Immediately after Mr. Clowes had made his survey and report, which is now before the Committee, the Board determined to send for Mr. Roberts, who was then employed on the Erie Canal.

Mr. Roberts is an American Civil Engineer, who has been much employed on the Erie Canal, and in charge of the Western Section of it, and he has also been in the State ef Ohio to determine the route of the proposed Canal there—before, Mr. Roberts had been highly recommended to the Company by Mr. Wright the principal Civil Engineer, as I understand in America, whose letter respecting Mr. Roberts, I beg to produce to the Committee.

[Here the witness delivered in the letter, which was read as follows:]

"NEW YORK, *October 1st*, 1824.

"To W. H. MERRITT, ESQ.,
"of Upper Canada.

"SIR,

"In answer to your request that I would give "my opinion of the opinion and ability of Nathan "S. Roberts, Esquire, as a Civil Engineer.

"I say with pleasure that he is a prudent, careful "man, and free from any visionary plans of internal "improvement.

"Mr. Roberts commenced with me as assistant on "the Erie Canal in 1816, and has continued in the "employ of the State of New York ever since.— "While I conducted that work, and had Mr. Roberts "for an assistant, I could place every reliance upon "his accuracy and care, and I should have the most "perfect confidence in any estimate he should sub- "scribe to, as being fair and honorable in every part. "I can freely recommend him as worthy of every "confidence in his profession.

"As regards your plan of improvement and its "advantages, as far as my acquaintance with the "localities and great advantages of your contempla- "ted improvements by Canal and hydraulic uses, "there can be little doubt in my opinion, of its being "a profitable work soon after completed, and passing "through and connecting such an immense extent of "fertile country it must be daily growing more valu- "able.

"Respectfully, I am,
"Sir,
"Your obedient,
"(Signed) BENJAMIN WRIGHT,
"*Civil Engineer.*"

[Mr. Gordon, a member of the Committee, here states that as one of the Commissioners for improvement of internal navigation, he had occasion to confer with Mr. Wright in the United States on the proposed improvements in this country, and found him, in his opinion, exceedingly intelligent,—he was then employed as a principal Engineer on the Erie Canal and recommended to Mr. Gordon as the person best qualified to inform him—Mr. Wright upon that occasion enforced upon Mr. Gordon that it would be decidedly right not to stop short of a Sloop navigation in internal improvements in this province.]

When Mr. Roberts came in did he survey the conntry generally for the purpose of finding the best route, or was his attention exclusively directed to the route last suggested by Mr. Clowes?

His intention was directed to the old route, and the one reported on by Mr. Clowes, and he was requested to give his opinion which of the two was the best.—He was employed five or six days, and finding Mr. Clowes' levels correct on the third route he took them to be correct throughout on both routes, and made his calculation accordingly.

I was present at both surveys of Mr. Roberts; and Mr. Keefer also accompanied him in the survey of the new route, Mr. Clowes did not accompany him— his son did.

Did Mr. Roberts, soon after the survey, make the report which is now before the Committee?

He did—immediately after.

Have these reports and the proposed change in the route undergone much consideration of the Board?

They have both been submitted and considered, and the new route is unanimously approved of by all the Directors.

Has there been any expression of opinion on this subject by the Stockholders to the Board?

None, except from Mr. Gordon, who I understand has petitioned against it.—Mr. Yates of New York, in whose name Stock is taken to the amount of $203,-

000, has been since upon the line of the Canal and fully approved of the proposed change

Has any particular reference been made to the Stockholders upon the subject?

None, but it has been generally talked of and known throughout the country—no express communication has been made to the Stockholders on the subject.

Has any work been done upon the Western route which it is now proposed to abandon?

None.

Has any land been purchased on that route from individuals?

None.

In how great a length of country will the new route deviate from the old line?

About six miles sixty chains.

Does the new line pass through an improved country so as to disturb improved possessions, houses, orchards, &c., in a greater or less degree than the old line?

Less in my opinion.

Are you aware that the new route, if adopted, will occasion any extraordinary instance of hardship to any individual by depriving him of the use of mills, or overflowing land, &c., which would not have occurred to an equal extent with respect to other individuals on the old line?

I do not think it will.

The Petition of Jacob Uppers and others, with the Report annexed, was then read as follows:—

"TO THE HONORABLE THE MEMBERS OF THE COMMONS "HOUSE OF ASSEMBLY, AT YORK, IN PARLIAMENT "CONVENED.

"The Petition of sundry Inhabitants of the District "of Niagara,

"RESPECTFULLY SHEWETH,

"That the Agent and Directors of the Welland Canal Company intend altering from the route already Chartered to them, and further intend to apply to your Honorable House for a new Charter so as to enable them to dam up the two East branches of the twelve mile Creek, which if they are allowed to do will overflow some hundreds of acres of the best meadow lands in the township of Thorold with a mass of stagnated water, much to the injury of your Petitioners and his Majesty's subjects in general, both in health and property, throwing back water over roads and bridges, and on Mr. John Crooks Kitchen floor—besides depriving the Mills below of the privileges of their water courses.

"Your Petitioners beg leave to state further that the said Agent and Directors report the mountain on the Chartered route not practicable, which route both them and their Engineers have frequently reported effeasible and advantageous for Inland Navigation.—Buttheir motive at present is to alter from that route with a view to accommodate two of the Directors, viz. Hamilton Merritt and George Keefer Esquires, and deprive your Petitioners, and the Stockholders in general, of the great advantages they expected to derive from Machinery of every description which could be erected on the Chartered route, which route is far preferable to the intended new route, as will appear by the annexed Report of an experienced and scientific Engineer, and will make a saving of some thousands of dollars to the Company. Moreover the people, with the exception of one or two individuals, are willing to give their lands free gratis on the Chartered route.

"Not so on the new intended route—the majority of the people are opposed to its running diagonally across their Farms, and humbly pray that your honorable body will order them payment for their houses, timber, and lands, before one sod of the ground is broken. Your Petitioners therefore humbly pray that you, as honorable Representatives of the people, will take their present unequalled grievances into your serious consideration, and compel the said Agent and Directors to keep within the limits of their former Charter—Grant them no other—and pass no Act to aid or assist the Company by taxation of the Province.

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

Thorold 1st November, 1825.

"Being called upon by a number of the inhabitants of the District of Niagara to ascertain the distance of the Chartered and contemplated routes of the Welland Canal from the point of departure on Mr. Wilson's farm, in the township of Thorold, to the point of intersection at Saint Catharines, and also to ascertain the practicability of the mountain on the Chartered route—

"REPORTS AS FOLLOWS:

"Commenced at the Section post at the point of departure on Mr. Wilson's Farm, then bearing Northerly following the route of the new intended line of Canal, I find in some places on the first three miles from 14 to 32½ feet excavation marked on the line stakes. In this route there is considerable rock excavation.

"Having carefully measured the distance from the said point of departure to the point of intersection at Saint Catharines I find it to be seven miles, three furlongs and six perches.

"Secondly, commenced on the Chartered route at the point of intersection at Saint Catharines, following the original surveyed course to the point of departure on Mr. Wilson's Farm in the township of Thorold. In this route I find very little excavation more than what is necessary for the formation of banks &c.

"There is rome rock excavation in this route, but nothing in comparison to the other. Distance of Chartered route, eight miles, one furlong and thirteen perches, making a difference of six furlongs and seven perches in favour of the new route.

"I have also levelled and ascertained the descent from the brow of the mountain on Mr. Cooper's farm to Brown's bridge on the valley of the twelve mile Creek, a distance of sixty seven chains and six links, fall 179 feet, which can be formed into a regular inclined plane, and will require eight single Locks, each ten feet lift, admitting level of two chains twenty links and a half between each Lock after deducting one hundred feet for each Chamber.

"Having taken a retrospective view of the incal-

"culable advantages the Stockholders and the Prov-
"ince in general could derive from the Chartered
"route in preference to the contemplated one, indu-
"ced me to give my decided opinion in its favour.

"Which is respectfully submitted—

"By Gentlemen,

"Your obedient servant,

"R. CUSACK.

"Late Assistant Engineer to the Right Honourable
"and Honourable &c. &c. &c. The Directors
"General of Inland Navigation in Ireland."

You have now heard read the Petition of Jacob Upper and other inhabitants of the District of Niaga- have you any remarks to offer as to the statements therein contained?

It is not intended to dam up that branch (the main one) of the twelve mile Creek, which reaches to Mr. Crooks. The other branch is to be dammed up; (the Eastern branch,) it will cover 40 acres of meadow land, partly improved, belonging to a Mr. Marlott, Norman Vanevery, Carrol, and I think also a Mr. Miller. It will be in the immediate vicinity of three dwelling houses, but not interfere with the access to any of them. The water so dammed up will be 10 or 12 feet deep on the line of the Canal, and from five to eight feet over the surface generally. The water is to escape over a waste weir, and I think cannot be prejudicial to health, as stagnant water: this opinion I have heard also expressed by one or two Physicians there. I am certain that it cannot overflow roads or bridges in any part of the line, except one or two hundred yards in one instance, where an equally good road can be made on the side. The new line would certainly benefit Mr. Keefer, one of the Directors, by passing through his land, but that was by no means the motive to the change, nor had it any effect either in suggesting it or deciding upon it. To myself I consider the change as indifferent; indeed my private interest merely would lead me to prefer the old route. As to advantages for the purposes of machinery, so far as the Stockholders are concerned I think the new line decidedly preferable as reported by Mr. Roberts.

With respect to the statement in the Petition that the old route is the preferable one for purposes of navigation, the Report of the Engineers must decide. With respect to Mr. Cusack, whose Survey accompanies that Petition, I would remark one inaccuracy, which is the leaving two chains only between each Lock, which is manifestly insufficient for the passage of Vessels; and with reference to the signers of that petition, I think there are but two—Wormer and Vanevery, who possess property on the proposed route; and most of them reside several miles off the line of the Canal.

MR. GORDON, *the signer of the Petition marked No. 9, and referred to the Committee, was next examined in support of his Petition, which was read as follows:*

TO THE HONORABLE THE COMMONS OF UPPER CANADA IN PARLIAMENT ASSEMBLED.

"The Petition of James Gordon, Stockholder, in the Welland Canal Company,

"HUMBLY SHEWETH,

"That your Petitioner is a Stockholder to the amount of forty shares in the Welland Canal Company, and is not aware that any of the business or transactions of the Company's affairs have been published or communicated to the Stockholders since the last Act of Parliament relative thereto.

"That your Petitioner having heard that several Contracts were made on the 26th ult. for carrying the line of Canal out of the lawful route, as laid down by Hiram Tibbitt, and that an application has been made to your honourable House without the general sanction of the Stockholders, for altering the route expressed in the Act of Incorporation, and confirmed by an additional Act the present year.

"Your Petitioner humbly sheweth that Hiram Tibbitt's route is the same now as it was at that time, and that there was abundance of time and opportunity previous thereto of ascertaining any more practicable route, especially as the contemplated deviation therefrom is embraced in the Niagara Survey of James Clowes and Francis Hall the last year, long before the confirmation of the present route by your honourable House.

"Your petitioner therefore humbly prays your honourable House may be pleased to suffer the route of the Canal to remain, but should your honourable House be disposed to alter the same, your petitioner humbly prays that as a direct line is always the shortest, your honourable House may be pleased to cause a faithful survey and estimate for carrying the line of Canal from the base of the mountain in as direct a line as may be, down one of the ravines terminating at the mouth of the twelve mile pond, instead of turning round through St. Catharines; there being no perceptible difficulty save the cutting off that village, the aggrandizement of which can be of no importance to the Company's general interest.

"Your petitioner also humbly prays that should it be the will and pleasure of your honorable House to alter the line of Canal, that your honorable House may be pleased to make the like provision as in the late Act, of permitting all dissenting Stockholders to withdraw within a given time, and the sums paid by them to be immediately refunded on giving such notice.

"Your petitioner further prays your honorable House will be pleased to provide that the land as well as the water belonging to individuals which the Company or their servants may take possession of or encroach upon, shall be paid for within a given time from such encroachment.

"Your petitioner as in duty bound shall ever pray.

"JAS. GORDON,

"Stockholder Welland Canal Company."

"*Niagara 22nd November* 1825.

Have you any facts to state or remarks to offer in support of the Petition presented by you and now read?

As to the Report of Mr. Roberts, which I only saw on Saturday last, the explanations Mr. Merritt has given to the Committee this morning have overcome my objections as to the point of the alteration of the route; and I only now wish the provision last prayed for by me to be afforded, namely that Stockholders not approving may withdraw their subscriptions, and their stock paid in be refunded, as I believe there has been no Meeting of the Stockholders on that point.

As to the proposed alteration near the village of St. Catharines, I am not prepared to say it is the best—it is merely my own idea, and I know not that any Engineer has proposed or Surveyed it, or that it has been proposed by any one to the Directors; but I was desirous that it should have been done, to convince the Stockholders that the more circuitous route was really preferable, and not chosen from any private motives affecting the interests of Mr. Merritt.

Have you any further remarks to offer to the Committeee? None.

DR. LEFFERTY, *a Member of the House, attended, and was examined.*

Were you instructed by the signers of the petition of the inhabitants of the District of Niagara, referred to the Committee to present their petition and support the statements contained in it; and is it your desire to offer any observations respecting their statements to the Committee?

At the day the petition was signed I attended by request of some of my constituents a meeting at Thorold on the proposed line of the Canal. Many of the petitioners were there, much was said about the Canal.

There is a general suspicion in the District of Niagara that the Directors have not acted prudently or correctly, and particularly in this respect. That if the Directors had adopted this route in the first instance, which had before been explored, I think by Mr. Roberts, the expediency and ease of taking it to Queenston would have been more apparent, and that that course would have been more likely to have been adopted by the Legislature.

It is another complaint against them that they did not settle their route decidedly and bargain for the land, and ascertain the expense, before they got their Charter.

Have you any personal knowledge of the facts stated in the petition presented by you?

I have not.

Do you know whether the petitioners have any person attending whom they desire should be heard in support of it?

None that I know of.

Are any of the petitioners attending?

Not that I know of.

Do you know any person that could give information as to the proposed route that would be valuable to the committee?

I do not—my own opinion is that it is the best—I believe there is no doubt of that.

WEDNESDAY, *November* 30., 1825.

Committee met at ten o'clock.

Present, all the members except Mr. Beardsley.

MR. MERRITT *again called in and examined.*

What information can you give the Committee with reference to that part of the petition of the President and Directors of the Welland Canal Company which prays the remission of duties on tools and machinery employed in making the Canal?

The Company has already paid somewhere about $200 for duties, principally on waggons and horses brought in to work on the Canal, and on scrapers, ploughs, shovels, and spades, or rather the contractors have paid it, but with the understanding that the Company will repay it if not remitted.—Perhaps duties to the amount of £50 more are secured to be paid by the Company.

Cannot all these articles be provided as advantageously in the country?

The proper spades and shovels are not imported here, but are made in the United States. The inducement to bring horses and oxen is that the contractors coming from the United States owned many horses, cattle, and waggons, which they desired to bring in rather than purchase: but these horses bringing a higher price in the United States than in this country, they will be taken back after the work is completed. Waggons could not be procured in this country at a reasonable price or in sufficient number.

Can you form any opinion as to the probable amount of duties the Company or Directors would be required to pay hereafter?

I think £400 would cover all the demand.

MR. CLARKE, *a Member of the House, attended and was examined by the Committee.*

The petition of Samuel Wood and others, referred to the committee, was read, and is as follows:

"*To the Honorable the Commons' House of Assembly in Provincial Parliament of Upper Canada assembled.*

"The undersigned petitioners being well disposed to the completion of the Welland Canal, convinced of the general benefit it will be to the public; at the same time we view with regret that the individuals living on the line of said Canal are not provided for by the present act, and that depredations now have and may still continue to be committed.

"We conceive it a grievance and great injury that the power is given by the Welland Canal Act for the Directors, Agents, or as an Incorporated Body or Company, to enter upon our lands without any previous arrangement, laying our farms to commons and waste without compensation, to the great injury of individuals, although considered a benefit to the province.

"We also consider it a grievous injury that at the completion of the Welland Canal, lands will be divided, and the owners deprived of having free access to the same, unless bridges are built by the Company, which the circumstances of no individual is able to effect, and the inhabitants will be deprived of the water privileges, except where it backs on lands, for watering cattle; and in case of seasons like the present, man and beast must suffer for want of one of the greatest blessings the Almighty has bestowed upon us.

"We view with regret that the Welland Canal Company will monopolize too great a proportion of our lands, so that we are deprived of those privileges from which heretofore we derived a benefit; and understand the Company intend making further application for lands, we hope the lands may be limited to the Company as not to deprive owners of such privileges as they may be justly entitled to.

" We humbly solicit the interference of your Honorable House to make such amendments to the Welland Canal Act as will protect such portion of His Majesty's subjects owning real estate on the line of the intended Canal, in their just rights and privileges. And your petitioners, as in duty bound, will ever pray.

" (Signed) SAMUEL WOOD,
And others."

" *Grantham, 14th November*, 1825.

Have you any statements to offer in support of the petition of Samuel Wood and others beyond what appears on the face of the petition ?

None that I know of.

I know of no apparently wanton and unnecessary abuse by the Company of the powers given them by the Act. I have heard Mr. Adams, one of the subscribers, object to their breaking ground on his farm till they had first satisfied him for the damages they were to occasion.

I am not aware that the proposed route will interfere with any water privilege except of Mr. Adams, who has a mill on the 12 Mile Creek, and who fears that the Canal will interfere with it. I am of opinion that the law already affords sufficient protection in such cases, and conceive that the only ground of discontent on their part is that they are not to be paid before ground is broken, and they think they will have to wait the Company's pleasure.

The general complaint is, that the Company pulls down a man's fences and lays open his farm to common.

MR. MERRITT *called back and asked,*

Have you any observations to offer on behalf of the Company with respect to the statements contained in the petition of Samuel Wood and others ?

As to taking the land without payment of damages beforehand, I would observe, that the Company have power by law to do so, and that in point of fact they cannot estimate the damages their work will occasion in any case until that work is done.

The Company would not object, I think, to bind themselves to pay by the 1st of August or September next, all damages that would be estimated by arbitrators as the Act appointed directs; provided such arbitrators were allowed, as is the case with respect to the Erie Canal, to take into consideration the advantage which the Canal produces to the proprietor of each farm, as well as the disadvantages, and decide, upon a full and fair view of all circumstances.

As to the bridges, the chief objection is not so much to the expense as to the great obstruction which a Sloop navigation would experience if the respective proprietors could compel the Company to have a bridge erected upon every distinct property.

The Committee then proceeded to consider the petition of James Muirhead and other inhabitants of the town of Niagara, and Robert Dickson, Esquire, being called in, the petition was read as follows :—

" TO THE HONORABLE THE COMMONS HOUSE OF ASSEMBLY IN PROVINCIAL PARLIAMENT CONVENED.

" The Petition of the Inhabitants of the Town of Niagara and its vicinity,

" HUMBLY SHEWETH,

" That your petitioners deeply impressed with the importance and necessity of improving the internal navigation, and opening water communications throughout the province, are desirous to promote this object by opening a lateral cut from the Welland Canal below the mountain ridge to the Town of Niagara, sufficient in its dimensions for a boat navigation; the Company to be incorporated under the name and style of the Niagara Canal Company, and to be vested with a capital of £20,000.

" Your petitioners therefore pray that it may be enacted that five Directors, and no more, shall be appointed for the direction and management of the proposed Company, one of whom shall be elected President, and that the directors shall be chosen by the majority of the stockholders votes; that the President shall have power and authority to appoint a Treasurer and Secretary; and that the Treasurer give sufficient security for the due and faithful discharge of his trust.

" That each share subscribed for shall be the sum of twelve pounds ten shillings, and no more.

" That no individual shall be deemed eligible to the office of a Director unless he is a subscriber for five shares.

" That after all the stock to be subscribed is disposed of, that the Directors shall have power to call in ten per cent, and after that is paid not more than ten per cent monthly, by giving thirty days notice.

" And your petitioners further represent, and beg leave to acquaint your Honorable House that in soliciting the passage of the required act and incorporation of the proposed Company, they by no means wish to injure any individual private right with which this contemplated lateral cut may interfere, without first obtaining the consent of the legal owners of the soil, and subsequently affording them ample remuneration for any injury that they may sustain from the Company's acts in the progress of the Canal.

" And your petitioners would moreover submit that the route laid down and prescribed by the act of incorporation for the Welland Canal has been deviated from, they cannot but entertain hopes that their representatives will assist, by their interference, a section of the country which has so materially suffered by its determined and successful defence during the late war, and which from its resources and natural advantages is so capable of improvement; especially when it is taken into consideration that your petitioners only solicit a participation in privileges which justice proclaims open to all, when all collectively contribute to an expenditure for its advancement.

" Your petitioners deem it unnecessary to cite precedents of other countries when they are convinced that every enterprise embarked in for the improvement of the country, without the aid of the Provincial Treasury, or interference with private rights, will receive that consideration which its importance deserves."

Are you agent for the persons signing the petition just read ?—I am.

Have you any more distinct proposals to offer for the consideration of the Committee than are contained in that petition, or any plans or drawings of the proposed cut ?—I have not.

Have you any report of a Surveyor or Engineer who has explored a route for such a Canal as is prayed for, or any estimate to submit of its expense ?—I have not.

What reason have you to suppose that it can be accomplished for £20,000 ?—

It is about nine miles passing through a level country, and may be conducted generally in a straight line. It would intersect the ten, four, and two mile creeks, and a small creek called the One Mile Creek; the supply of water would be required to be drawn from the main canal. The precise point of termination is not settled, but it is proposed to bring it to the Four Mile Creek, and leave it from that point to the discretion of the stockholders. I believe it is contemplated that it should terminate somewhere near Navy Hall. The route has been explored by Messrs. Clowes, Roberts, and Hall, and surveyed by Mr. Clowes, and they have all reported upon it, but such survey and report were not made for the specific purpose of this application, but in order to enforce the expediency of conducting the Welland Canal by that channel. I am not in possession of these reports.

What are the nature and extent of the advantages expected from the proposed Canal ?—

The petitioners consider the advantage of water for machinery the most important.—In addition it would drain a great extent of low and marshy country. It would facilitate the transportation of cord wood, staves, and lumber of all kinds, passing through a country abounding in good timber. Stone for building would also be brought down by it. It is also conceived that it would tend much to the improvement and advantage of the Town of Niagara. It is contemplated also that articles transported from the western country and destined for Niagara could be much more advantageously brought down by this route than from the mouth of the Twelve Mile Creek.

Have the petitioners had any communication with the Welland Canal Company on the subject of their proposal ?—

None—time has not admitted of it.

Are many of the subscribers to that petition stockholders in the principal Company ?

I think not one.—The petitioners are willing to make compensation to the Welland Canal Company for the use of the water. They have obtained from every proprietor of land on the proposed route a release under seal of such portion of their lands as may be required. In explanation of this application generally I would remark that it was the reported recent change of the route intended to be applied for by the Welland Canal Company, from the Mountain to the Twelve Mile Creek, which suggested this application, and it has therefore been so recently thought of, that the Petitioners are not prepared, as they otherwise would have been, to support it.

Edward McBride, Esq., a member of the Committee and Representative from the Town of Niagara, being asked whether he desired to offer to the Committee any information or remarks respecting the petition, confirms in all respects the statements made by Mr. Dickson, and adds that through the extent of country spoken of, there is frequently so great a want of water that great inconvenience is felt by the inhabitants, an evil which the proposed Canal would of course remedy; further, that it has been contemplated as a part of the scheme to form a dry dock for repairing vessels, and perhaps a wet dock in which they might winter, without being exposed, as in the River, to dangers from ice in the winter and spring.

W. H. Merritt, Esq., *again called in.*

Do you conceive that any objections could be stated on the part of the Company to complying with the prayer of this petition ?

When the present Stockholders in the Welland Canal Company subscribed, the had in view every advantage likely to arise from Machinery, Docks, &c., in consequence of the proposed junction of the two lakes; and I think they contemplated the exclusive enjoyment of all such advantages as could not have accrued without the bringing down of the water from Lake Erie. I think the Directors could not take upon themselves to waive any part of this advantage without reference to the Stockholders; but am of opinion that the Stockholders would not object, on the Company's being paid a reasonable compensation for the proportion of water taken down; as for instance if they should require one fourth of the water, that they should pay one fourth of the expense of the work for bringing down that water to the point at which the took it. I think if an Act were passed *obliging* the Company to assent to the proposed plan, it would depreciate the Stock of the Welland Canal, especially abroad.

Do you think the Welland Canal Company would themselves undertake this proposed lateral cut, on having their capital enlarged for that purpose ?

I think they would not; they would now get all the transport between the two lakes, and unless it could be shewn to them that there would be so much additional transport in consequence of the cut as would pay the interest on the additional Stock, they would not find it for their advantage to undertake it. I think this could not be shewn them, and therefore I think they would decline it. This is only my opinion; the proposal might be made to the Stockholders.

Have you any reason to suppose that the sparing the necessary water from the Welland Canal would produce injury to the navigation, or to any machinery, except by affording the means of rival establishments?

I think not; but that the supply of water would be abundant if no more was taken than would be required for a boat navigation.

December 1st. 1825.

Committee met—Attorney General in the chair.

Mr. Merritt *again called in and examined.*

Has it appeared to the Welland Canal Company

since the granting of the last Act, that any material alteration is desirable in the dimensions of the Canal for the purpose of adapting it to Steam Boat navigation, or any particular change in the terms of their Charter for any purpose?

It has been spoken of as very desirable to make the Canal fit for Steam Boat navigation. In order to do so I conceive the depth of the Canal should be in no place less than nine feet six inches. The present width would answer for Steam Boat navigation in all parts except in the Deep Cut and the Locks, there being ample width in the general course of the Canal for Steam Boats to move, and many places throughout the line in which, from the width of the natural channel two Steam Boats could pass—the principal alteration therefore that would be necessary, would be widening the Deep Cut and making the Locks larger; the former change could be made perhaps with greater facility after the Canal was completed than at present. The Locks, of their present dimensions, would be insufficient for Steam Boats, and therefore so far as regards them, if it were likely that a Steam Boat navigation would ever be made there, it is most desirable that the Locks should be now constructed with a view to it. It is estimated that the Locks should be thirty-two feet wide, and they would be better to be five feet longer. The increased expense of the additional width of the Locks would not exceed £5000 (the additional expense of the increased length has not been intimated,) and the Contractors have engaged to undertake it for that sum. I think if the Company can receive present assistance from the Province, to the amount of £25-000, as prayed for, that the Company would adopt the improvement spoken of. These remarks are confined to that part of the Canal from the Welland to Lake Ontario. In the Western section of the Canal nodifficulty presents itself; the width and depth must be greater, but the probable increase of the expense has not been estimated.

I would add that the Company is generally averse to the clause which provides for the Government assuming the Canal at the end of fifty years, if thought expedient.

Dr. Lefferty presented to the Committee a letter from George Adams, Esq., of Nov. 28th, 1825, which was read to the Committee and Dr. Lefferty examined upon it, who says he knows nothing of the injury that will be occasioned to the family of Gould in particular; and that as to Mr. Adams, he thinks the damage he apprehends is from drowning his lands, and the loss in value of his machinery from competition on the part of the Company, through the means of the advantages of water afforded by the Canal.

W. H. Merritt, Esq., *called in and examined in reference to this complaint.*

The injury to Mr. Gould's property is trifling in the extreme; two or three acres of his land will be taken, and four or five acres of Mr. Adams'; his mill seat cannot be injured by it with respect to the supply of water; if his mills and machinery are injured by competition of the Company it is provided by the Charter that the Company must purchase his property by appraisement. I have heard no other complaint from these parties than that they want payment immediately, which the Act does not require.

At the request of the Committee Mr. Merritt produced the original contracts entered into for the making of the Canal from the Welland to Lake Ontario, and also the harbor on Lake Ontario.

Zaccheus Burnham and Donald McDonald, Esquires, members of the House, who have, since the meeting of the Legislature, gone to the line of the Canal for the purpose of examining it for their private satisfaction, were called in by the Committee and Mr. Burnham was asked—

From your own observations is there any information which you can give to the Committee relative to the progress of the work that can guide their judgement as to the probability of its being completed within the time and at the price specified? Or do you think the same improbable for any and what reason?

I went to the Deep Cut: it was on a Sunday when none of the men were at work. In the deepest place about twenty feet had been excavated. I was told that about seventeen feet in depth below that had been excavated and was now filled with water, which could be readily drained off by a cut. I saw none of the Contractors—no information was given to me, nor have I any reason, from my own observation for believing that the work will not be found practicable at the sum estimated for. I was told that the soil had turned out even more favorable than was expected, and I heard of no apprehension of any difficulty.

Donald McDonald, Esq., M. P., gives the same relation to the Committee.

December 2nd, 1825.

Committee met—Attorney General in the chair.

The Hon. William Allen *examined.*

Are you a Director of the Welland Canal Company?

I am; and also Vice-President.

You hear now read the petition of certain Inhabitants of the Town of Niagara and its vicinity—Do you conceive that any objection could be stated, on the part of the Company, to complying with the prayer of this petition?

I think that the Stockholders, and particularly those resident abroad, would consider it as prejudicing their Stock, from not having the necessary means of juding what the effect might be. As far as respects myself as a Director, I could not assent to such a measure without first referring to a general meeting of the Stockholders, and I can form no opinion as to what would be the issue of such an application.

Do you think the Welland Canal Company would themselves undertake this proposed lateral cut on having their capital enlarged for that purpose?

Speaking merely from my individual opinion, I should think it would be much better to have the work in question undertaken by the Welland Canal

Company than by other hands; the additional expense would be no great object to the Company.

Have you any reason to suppose that the sparing the necessary water from the Welland Canal would produce injury to the navigation, or to any machinery except by affording the means of rival establishments?

It might very possibly; but until the Canal is completed I could not venture to say.

The Petition of the President and Directors of the Welland Canal Company was read as follows:—

"TO THE HONORABLE THE COMMONS HOUSE OF ASSEMBLY OF THE PROVINCE OF UPPER CANADA IN PROVINCIAL PARLIAMENT ASSEMBLED.

"The Petition of the President and Directors of the Welland Canal Company,

"HUMBLY SHEWETH,

"That since the passing of the Act to alter the dimensions of the Welland Canal, your petitioners have obtained in the Canadas and the State of New York, Stock to the amount of £100,000—that they have enlarged the dimensions of the said Canal to 7 feet 6 inches depth of water, Locks at least 100 feet in length by 22 feet in width, and have placed the whole line from the Welland to Lake Ontario under contract, and are sanguine that its entire completion may be expected by the Spring of 1827.

"Your petitioners reserved for the London market one half of the amount of Stock which is not yet available, and in order to lessen the dividends necessary to be called in from the Stockholders in America, as well as to facilitate the work already commenced and now in successful operation, they pray Your Honorable Body will be pleased to carry into effect that part of your resolution of the 13th April last, wherein you resolved to loan to the Welland Canal Company the sum of £25,000 currency, and that you may be pleased to grant the said loan for such a period and on as favorable terms as you may conceive the public advantages likely to arise from the undertaking may warrant.

"And your petitioners further pray, that Your Honorable Body may be pleased to sanction a deviation in the line of the Canal, which, from the accompanying Reports of two experienced Engineers, they trust you will deem expedient, as it not only shortens the route and lessens the expense, but will make a far more perfect and complete Canal.

"Your petitioners further pray Your Honorable Body may be pleased to cause the duties already paid on their tools, machinery, &c., to be repealed, and that they may in future be brought from the United States free from charges of every description.

"And as in duty bound your petitioners will ever pray.

"For the Directors,
"JOHN H. DUNN,
"*President Welland Canal Company.*

"WELLAND CANAL OFFICE,
"*St. Catharine's, 12th Nov.* 1825."

You hear the petition of the President and Directors read—have you any remarks to offer as to the statement contained in it?

I attended as Vice-President a meeting of the Board, at which it was proposed to enter into contracts for that part of the line from the River Welland to the Twelve Mile Creek which had not before been taken up.—I first inquired of Mr. Merritt, the Secretary, what means there were of making the contract. He shewed me, among other things, the Resolution of the House of Assembly of last session, with respect to a loan of £25,000. This, together with the Stock taken up, and the prospect of Stock being taken up in England, prevented me from hesitating to sign the contracts. Had it not been for these circumstances I should have entered into no contract. I have no doubt but that the Stock will be subscribed in England.

Mr. McGillivray, I believe, intended to have gone sooner to England, but circumstances have arisen to detain him here; the delay, I think, in referring to England, has arisen from that cause.

Do you think the proposed deviation from the original route desirable?

I do certainly, so far as I can judge, both in point of distance and expense.

Do you think the Company would prefer that the Government should lend them £25,000 or take Stock to that amount?

I think it would be preferable that the Government should take Stock, as it would give greater confidence respecting the work, and particularly to people abroad.

If it were proposed to loan the Company £25,000, within what period would it be convenient that the Company should repay it?

I think a period of ten years, or more, would be preferred.

Have you a copy of the Power of Attorney given to Mr. Boulton?

I have not. I have seen it. It went I think to authorise him generally to dispose of Stock for the Company—to receive instalments, and appoint other persons under him. Mr. Boulton did not shew his power to me before his departure, nor did I know of it. I was here when Mr. Boulton went away—I think I should not have authorised a power in such general terms—I think they were too undefined—I think the power should have been signed by the President or Vice-President to be regular; and so far as I am a judge I think the instrument, wanting this signature, is irregular. Whenever there is a common seal, I think the signature of Secretary or other officer, *affixed by an order of the Board*, would be good. I believe the President has so far revoked the power that he has written to Mr. Boulton that he is not to use, or act under it.

Have you any reason to doubt the practicability of the work being performed within the sum and time specified?

None—on the contrary, I think there is every reason to be assured of it from my own observation of what has been done.

MR. W. H. MERRITT, *again called in and examined.*

In whose custody is the Company's Seal generally kept?

It has been kept in mine at the Canal Office at St. Catharine's, but is now with the President, or rather Mr. Wenham, under the President's direction, who is to take charge of the office here. The reason of this I think is my having been supposed to affix the Seal without proper authority, which I had no idea was the case. Mr. Boulton, I believe, expected, as I did, that the instrument sent him would be perfected at a meeting below. Mr. Allan was not then Vice-President—Mr. Boulton was—and as such wrote for the instrument. It having been resolved at a previous meeting that Mr. Boulton should receive his instructions from the Board, and being required officially by him as Vice-President to send over the power in question, I did so, sealed with the Seal and countersigned by me. There was no other Vice-President but Mr. Boulton—the President was at New York.

Mr. Boulton went to Montreal to see Mr. M'Gillivray, and to Quebec to see Mr. Irvine, and I fully believed that every thing would be arranged below. My only motive was to avoid delay, as the matter had been deferred so long. This is the only paper I ever put the seal to with my signature alone; it has only been put to two papers, and they bear the signatures of the Vice-President.

The President, Mr. DUNN, *again called in, asked as to lateral cut, the same questions as* Mr. MERRITT *and* Mr. ALLAN.

I think the Company would not be willing to undertake it if their stock was enlarged. If the interests of the Company are protected I think the Company would have no objection to its being undertaken by others. I think if the new Company would pay their proportion of the charge of the original Canal in proportion to the water they took, the Welland Canal Company would not object to it. I think the affording means of competition, in regard to machinery, would not be complained of by the Company, and that they could not reasonably complain of it. I think, however, no person is now authorised to consent to it, and that the Stockholders generally must be consulted.

Mr. Dunn being asked, with respect to the resolution which had been taken at a former meeting, for draining Cranberry Marsh in Wainfleet, and rescinded afterwards at his instance, says:—

I objected, because I thought until the route of that part of the Canal had been actually decided on, it was premature to make a drain that might not suit the actnal line of the Canal. Mr. Clowes, the Engineer concurred, and the order was rescinded at a subsequent meeting. Moreover I think that it was proper to complete altogether, in the first place, the Canal from the Welland to Lake Ontario, without incurring any expenditure on the other section.

Mr. Merritt, in relation to this matter, says that it will be absolutely necessary to make this drain before this section can be made, as the people cannot work in the water, and that it never was contemplated to make any such drain, except on the line of the Canal.

MONDAY, *December 5th,* 1825.

Committee met.—Attorney General in the chair.

OLIVER PHELPS *called in and examined.*

Are you a contractor for any part of the Welland Canal?

I am a contractor for all the locks from the Welland to Lake Ontario, exclusive of the Lock at the harbor at the mouth of the 12 Mile Creek. There are 34 locks, and I have taken them at $2200 per lock, which will complete them in the very best manner, entirely of wood.

Why have you not undertaken the lock at the harbor?

It was commenced and put under contract before I came in.

What are to be the dimensions of the Locks—22 feet in width and 100 feet in length (the chamber of the Lock.)

Have yon been asked to estimate what would be the increased expense of making all the locks *thirty six* feet wide in the clear?

I have. I think it could be done for $20,000, including the excavation—*thirty-two* feet in breadth—for about $16,000. I am sure it would not very greatly differ from that.

Would any addition to the length be necessary for Steamboat navigation?

I think not, for a steamboat of 150 to 200 tons, well proportioned. From the greater space required for opening the gates of the locks when widened, an additional length of about six feet would be advantageous. The charge for the additional length would be in proportion to that for the whole length of the side, and might occasion an additional charge of about $3000 for the whole.

Are you well acquainted with canal navigation, and do you think that to allow bridges to be erected wherever the canal intersects the property of individuals, would be a great obstacle to the navigation?

I think it would, and that it onght only to be the case where some important road would be obstructed, or buildings and improvements of great value divided.

Are you acquainted with the principle upon which individuals possessing property on the line of the Erie Canal have been compensated for any damage done to their property?

Commissioners were appointed to estimate it, and such commissioners have, by law, authority to estimate what advantage the individual derives from the canal, as well as the damage; not, however, to that extent as to make individuals *pay* anything; and generally the Commissioners have been liberal, and allowed something, even when the canal may in fact have caused more benefit than injury to the individual. I am confident that along the Welland Canal the proprietors could sell their lands through which it is desired that it should pass for one third more than they could before have done, and that they would in general be much disappointed if the route were not altered so as to come through their lands; some who have signed petitions against it have told me so.

GEORGE KEEFER, Esq., *a Director of the Company, called in and examined.*

The several points which have been discussed before the Committee being stated to him, he is asked whether he has any information or opinion to offer to the Committee respecting them.

Ans.—I have no doubt as to the superior advantages of the new route proposed. With respect to the projected lateral cut to Niagara, I am myself of opinion that it would be well for the Company to undertake it themselves on their stock being increased. I think it would pay them. As a stockholder I should consent, but as a Director I cannot offer an opinion that shall affect the interests of others upon a point of this kind. I think they must all be referred to upon it. With respect to the complaints of individuals on account of damage done to their property, I know of no particular reason for such complaint. The Company will pay any ascertained damage so soon as they have completed their work through any person's premises.

The Canal I think will deprive no one of water which he enjoyed before; it will bring water to many who were before without, and in most places, from the width of the natural ravines through which the Canal will pass, the proprietors of the lands adjoining will have abundance of water without going through the enclosures upon the bank of the Canal.

I would add further, that with respect to the lateral cut to Niagara, the saving that will be made by adopting the proposed new route from the Mountain to the 12 Mile Creek, would be sufficient, in my opinion, to defray the expense of such Canal to Niagara.

The Select Committee appointed to report upon the several petitions of the President and Directors of the Welland Canal Company—of James Gordon, Esq., a Stockholder in the said Company—of Jacob Upper, and others, inhabitants of the District of Niagara—of Samuel Wood, and others—and of the inhabitants of the town of Niagara and its vicinity, pursuant to the order of the House, have further considered the matters to them referred, and agreed to the following as their second Report:—

Your Committee having deferred reporting upon the petition of the inhabitants of the town of Niagara and its vicinity, for authority to make a lateral cut from the Welland Canal to the town of Niagara, until Mr. Dickson, the Agent for the petitioners, could again communicate with them upon several points on which he desired to consult them, and having again examined Mr. Dickson and received from him the statement subjoined to this report, they now beg to report to the House their opinion that until reference has been had to the Stockholders of the Welland Canal Company, to be convened at a General Meeting for that purpose, and their consent or objections made known, the Legislature ought not to sanction upon any terms the diverting, by an independent Company, any part of the water brought down by the Welland Canal Company, for the purpose of forming a Canal by another route, and of affording facilities for the erection of rival establishments of mills or other machinery.

The Committee, however, are highly favorable to the undertaking of such a work as the inhabitants of the town of Niagara and its vicinity have prayed for, and they earnestly hope that the Welland Canal Company will either find it consistent with their interests to engage in it upon their stock being enlarged for that purpose, or in the event of their declining that course that they would accede to some reasonable arrangement which may enable a distinct Company to effect an object so desirable, and capable of being so easily accomplished.

The Committee cannot conclude this report without calling the attention of the House to the very gratifying circumstance, that the Company looks forward to the completion of a Canal which will be adapted to Steamboat navigation, and that they entertain this idea with so much confidence that they are strongly inclined to construct the locks at once upon a proportionate scale.

JOHN B. ROBINSON,
Chairman.

HOUSE OF ASSEMBLY, COMMITTEE ROOM, *December 15th*, 1825.

THURSDAY, *December 15th*, 1825.

The Committee met.

The Attorney General in the chair.

ROBERT DICKSON, ESQ., *called in and examined.*

Have you, since you were last examined by the committee, received any particular instructions as agent for the petitioners of the town of Niagara and its vicinity; and have you anything now to communicate or propose to the commitee in reference to their application for permission to cut a Branch Canal from the Welland Canal to Niagara?

I have no further information. I have been at Niagara recently and called a meeting of the petitioners, and upon discussion of the subject of their petition, they adopted the Resolution which I now deliver to the committee.

(Here Mr. Dickson delivered in said Resolution, which was read, and is as follows:)

At a meeting of the inhabitants of Niagara, held at Mr. Cannon's Hotel, December 5th, 1825—Thomas Butler, Esq., in the chair,

It was Resolved, That Robert Dickson, Esq., be instructed to propose to the committee of the House of Assembly that the Niagara petitioners be allowed, with the consent of the majority of the stockholders of the Welland Canal, to make a lateral cut to Niagara, and that the expense of such cut be allowed by them to merge into the general stock.

That they will commence the cut as soon as the Welland Canal Company have advanced as far as the intersecting point, and not before.

That should the above proposition be rejected, then it will be at the discretion of Mr. D. to make the best terms he can for bringing the waters into the lateral cut, but especial care be taken that no arbitrary or oppressive toll be allowed at any time to be levied on the lateral cut—should it be granted.

As the opinion of the stockholders is prelimenary to any measure, it is deemed desirable that no time be lost in obtaining recommendatory letters from the Chairman and Directors in favor of our request, and that Mr. D. forward a letter in the name of the merchants of Niagara, and others, together with necessary documents to Agents in New York, Montreal, and Quebec, requesting them to call, instanter, a meeting of the stockholders in each place, to obtain their sanction, before the close of the session.

WILLIAM YATES, *New York*,
HORATIO GATES, *Montreal*,
M. SUTHERLAND, *Quebec*,
} AGENTS.

JAMES RADCLIFF, *Secretary*.

Extracts from the Journals of the House of Assembly on the subject of the foregoing Reports.

FRIDAY, *December 16th*, 1829.

The House in Committee on the Reports of the Select Committee to which was referred the subject of the Welland Canal.

Mr. Beasley in the chair.

The House resumed.

Mr. Beasley reported a resolution, which was adopted, as follows:

Resolved, That it is the opinion of this House that it would undoubtedly be expedient to authorise by law the deviation from the route of the proposed Canal from the Mountain to the 12 Mile Creek, as prayed for in the petition of the President and Directors of the Company, and surveyed and reported upon by Mr. Clowes and Mr. Roberts, Engineers.

SATURDAY, *December 17th*, 1825.

The House again in Committee on the Reports of the Select Committee on the subject of the Welland Canal.

Mr. Beasley in the chair.

The House resumed.

Mr. Beasley reported three resolutions, which were severally put and carried as follows:

Resolved—That it is the opinion of this House that until reference has been had to the Stockholders of the Welland Canal Company, to be convened at a General Meeting for that purpose, and their consent or objections made known, the Legislature ought not to sanction, upon any terms, the diverting, by an independent Company, any part of the water brought down by the Welland Canal Company for the purpose of forming a canal by another route, and of affording facilities for the erection of rival establishments of mills or other machinery.

Resolved—That this House is highly favorable to the undertaking of such a work as the inhabitants of the town of Niagara and its vicinity have prayed for, and they earnestly hope that the Welland Canal Company will either find it consistent with their interests to engage in it upon their stock being enlarged for that purpose, or in the event of their declining that course, that they would accede to some reasonable arrangement which may enable a distinct Company to effect an object so desirable and capable of being so easily accomplished.

Resolved—That it is the opinion of this House that it would be a proper indulgence to be granted on the part of this province to the Welland Canal Company to accede to their prayer with respect to the remission of duties, if the same can be legally done, and if not, that the Government be authorised, by a particular appropriation, to return to the Company an equal amount to that which they shall have paid and shall hereafter pay for duties.

No. 5.

Minutes of the Board of Directors of the Welland Canal Company, for the year 1825.

At a Meeting of the Board, *4th January*, 1825.

PRESENT.

GEORGE KEEFER, ESQUIRE, *President*,

John Decou,
Chauncey Beedle,
Wm. Hamilton Merritt,
} Esquires, *Directors*.

The following resolutions were made.

"That we send a notice to the *Gleaner* for the subscribers to pay in their instalments of 5 per cent on all that has not been paid, making the instalments all equal."

"The Treasurer to submit a regular statement of all shares subscribed, the first Monday in next month as well as a statement of all accounts due by said Company."

"To prosecute for all dividends after the 12th day of February next."

"That we petition the Legislature of Upper and Lower Canada for a grant of £12,000 each."

GEORGE KEEFER,
Secretary W. C. C.

At a Meeting of the Board, *2nd April*, 1825.

PRESENT.

GEORGE KEEFER, ESQUIRE, *President*.

Wm. Hamilton Merritt,
John Decou, and
Chauncey Beedle,
} Esquires, *Directors*.

RULES FOR GOVERNING THE NEXT ELECTION.

1st. That all tickets shall be handed to the Secretary and by him counted and placed in the Ballot box.

2nd. That the President and Directors shall scrutinize all votes and ascertain that the Election is fairly and honorably conducted.

3rd. That no man who has neglected or refused to pay in to the Treasurer of the Welland Canal Company ten per cent on the Stock subscribed shall be entitled to vote for the Election of Directors for the ensuing year.

On the 4th day of April, 1825, being the 1st Monday in that month, a Meeting of the Stockholders of the Welland Canal Company took place at the Court

House in Niagara, pursuant to public notice as provided by law—When and where the undermentioned Gentlemen were appointed Directors for the ensuing year, viz :

THE HON. JOHN HERNY DUNN, *Receiver General,*
HENRY JOHN BOULTON, ESQUIRE, *Solicitor General,*
GEORGE KEEFER, ESQUIRE,
JAMES CLARKE BUCHANAN, ESQUIRE, and
WILLIAM HAMILTON MERRITT, ESQUIRE.

James C. Buchanan, Esquire, appointed conditionally ; to resign in favor of any person the Government, Mr. Galt, (for Commissioners of Canada Land Company) or the Stockholders may appoint.

The Honorable John Henry Dunn, was then unanimously elected, *President* of said Company, by ballot.

On the 13th day of April the Charter of said Company was extended to £200,000, and the Honorable James Irvine of Quebec and Simon McGillivray, Esquire, of London, were appointed Directors for the present or ensuing year; consequently the Directors for 1825 and until the 1st Monday in April next, stand thus :—

The Honorable JOHN HENRY DUNN, *President.*

The Honorable James Irvine,
Henry John Boulton, Esquire,
Simon McGillivray, Esquire,
J. C. Buchanan, Esq.(*conditionally*)
George Keefer, Esquire, and
William Hamilton Merritt, Esquire, } *Directors.*

At a Meeting of the Board, *April 14th,* 1825.

PRESENT.

The Honorable JOHN HENRY DUNN, *President.*
Henry John Boulton, Esquire,
Simon McGillivray, Esquire, and
William Hamilton Merritt, Esquire, } *Directors.*

That our Agent give notice that the Summit Ridge will be let out on contract the first of July next, and whatever other part of the line may be in readiness.

That our Agent proceed as soon as practicable to Lower Canada, there to obtain as much Stock as possible, then to proceed to New York or elsewhere, to obtain to the amount of £75,000, in case the President should not obtain the sum of £50,000 in that place.

That as soon as the sum of £50,000 be obtained the whole line of the Canal be advertised for contract and that in the mean time the whole line be laid out in sections by our Engineers.

That we employ Mr. Clowes the present Engineer to superintend the work, at the rate of £400 per annum, to include Board, &c., and that he be allowed an Assistant at £100 per year.

That we continue the present Treasurer until July when a regular transfer of books and accounts shall be made.

That Henry J. Boulton, Esquire, be appointed Vice-President.

That William Hamilton Merritt, Esquire, be a
is hereby appointed superintendant of the works, a
of all matters connected therewith, also to act
Secretary and attend to all the concerns of said u
dertaking and that he be requested to accept
for his services since the commencement
the undertaking.

That the Treasurer do pay the present Contracto
of the Welland Canal Company ¾ of the amount
work performed by them under and in pursuance
contracts now entered into, such work to be a
proved and certified by the Engineer.

JOHN H. DUNN,
President, W. C. C.

A true copy,
W. H. M.———, *Agent.*

Copy of Bye Laws adopted by the President and Directors of the Welland Canal Company.

York, 14th April, 1825.

PRESENT.

The Honorable John Henry Dunn, *President.*
The Honorable James Irvine,
Henry John Boulton, Esquire,
Simon McGillivray, Esquire,
James Clarke Buchanan, Esquire, } *Directors.*
George Keefer, Esquire, and
William Hamilton Merritt, Esqr. } *Also Agent & Sup.*

First.—The Directors shall meet the first Wednesday in every month, and oftener if necessary.—[*Expunged 2nd September,* 1835.]

Second.—That no Director, Officer, or Servant of the Company shall directly or indirectly be concerned in any contract connected with the said undertaking.

Third.—That no contracts shall be entered into until public notice shall have been published six weeks in such newspapers as the Directors shall think fit—for tenders to be delivered to the Board of Directors on a day to be fixed in the said notice, and that all tenders shall be opened in the presence of the parties making the same, if they think proper to attend.—[*Expunged 2nd September,* 1835.]

Fourth.—That no monies be advanced to any contractor until good and sufficient securities shall have been entered into for the due performance of his contract.

Fifth.—That Henry J. Boulton, Esq. *His Majesty's Solicitor General,* is hereby appointed Solicitor for the said Company.—[*Expunged 2nd September,* 1835.]

Sixth.—That the deposits from the Stockholders in Great Britain shall be paid into te Banking House of Wm. Williams, Burgess & Williams, London, and that all Bills to be drawn on said Bankers shall be signed by the President and Vice President, by order of the Board.—[*Expunged 2nd September,* 1835.]

Seventh.—That two of the said Directors, with the President or Vice President shall form a quorum.—[*Amended 2nd September,* 1835.]

Eighth.—That the travelling expenses of any of the Directors who shall reside at a distance from the place of meeting shall be paid out of the funds of the Company, such charges to be exhibited in the

annual accounts to be submitted to the stockholders, previous to the election of Directors in each year.

Ninth.—That William Hamilton Merritt, Esq., be paid an annual salary of £300 besides his necessary expenses, to commence this day.—[*Expunged 2nd September*, 1832.]

JOHN HENRY DUNN,
President.

A true copy,
WM. H. MERRITT, *Agent.*

At a Meeting of the Board, 22*nd July*, 1825.

PRESENT.

The Hon. JOHN HENRY DUNN, *President.*
HENRY J. BOULTON, Esquire, *Vice President.*
George Keefer, Esquire, and William Hamilton Merritt, Esquire, } *Directors.*

Resolved.—That each Contractor shall be entitled to two thirds of the money which may be due him at the end of each month, and the remaining one third may be loaned him without interest until he shall either have forfeited or completed his contracts by his giving responsible security.

July 4th, 1825.

"The Board opened according to adjournment when the following resolutions were passed."

"That the Agents transmit a list of the present Stockholders to this office together with an account of the sums paid in by each Stockholder respectively."

"That a Stock and Account Books be opened at this office."

"That on the first Wednesday in each month the Agent shall lay before the Board a regular statement of what has been done together with all charges, &c., which may be against the Company for work done, or any other act certified by the Engineer for the preceding month and what may be necessary to adopt the ensuing."

"That all letters be received at the Canal Office, the receipt acknowledged and answers prepared for the inspection and sanction of the Board at each succeeding meeting."

"That our agent procure from each owner of land, a bond for the relinquishment of what land may be necessary for the construction of the Canal."

"That our Agent procure plans and estimates and furnish the necessary information for the President to transmit Simon McGillivray, Esquire."

"That a premium of $100 be awarded for the best model of a wooden Lock, or wood and stone combined, to be submitted with specifications on the 1st Wednesday in October."

"That a transfer office be established in New York as soon as the agent may think proper after the payment of 10 per cent on account of all stock subscribed in that place."

"That the scrip for the new stock, or certificates of stock subscribed, may be signed by the different agents in Upper and Lower Canada, and in New York, on payment of 10 per cent."

"That 5 per cent be called in immediately on all new subscriptions."

Ordered, that all persons who have expressed a wish to withdraw their subscriptions under the 7th clause of the Welland Canal Act, shall have whatever money they have paid in refunded, and that the agent pay the same.

At a Meeting of the Board, 21st *July*, 1825,

PRESENT:

H. J. Boulton, Esquire, *Vice President,*
George Keefer, Esquire, and William H. Merritt, Esquire, } *Directors.*

Ordered, That whatever damage may have been done by the Welland Canal Company to the property of Mr. John Brown, on the River Welland, be left to the decision of Samuel Street, Esquire, to which Mr. Brown agrees and has affixed his signature.

That 5 per cent be paid in the ensuing month, and Mr. Davis to pay amount in Bank at Montreal to the credit of the Upper Canada Bank as a deposit by the Welland Canal Company.

That all Agents close their books and send us copies only, they keep the original signatures.

That as doubts have arisen respecting the most eligible route for the Canal from the Welland to the mouth of 12 Mile Creek, that we employ Mr. Roberts, Engineer, to explore and report on the same as well as the Canal generally.

That the Vice-President employ Mr. Roberts and some other Engineer who will explore and report on the route from Grand River to Welland—the report of Mr. James Clowes not proving satisfactory.

That a report be drawn up and sent the President by our agent for any correction he may think proper to make, when signed to be immediately published.

That the papers, plans, &c., be sent Mr. Dunn as soon as the Engineers report be obtained of the whole route.

The Directors were employed the 21st, 22nd, and 23rd, during which they examined the different routes from Harbor to the Deep Cut.

Resolved, That the Vice President draw on Thomas Proctor for $8,000, and that our agent advise him of the same.

At a Meeting of the Board, 10*th August*, 1825.

PRESENT:

The Honorable John Henry Dunn, *President.*
George Keefer, Esquire, and Wm. Hamilton Merritt, Esquire, } *Directors.*

The minutes of the former meeting were read and approved.

Ordered, That the President having laid before

the Board Mr. Proctors Letters of the 13th, 16th, and 22nd, the Agent be desired to request Mr. Proc tor to address all communications to the Board, at their office at St. Catharines, where they will reply monthly, and furnish any information required, and that an answer be prepared to the above communications.

That the Accounts of the late Treasurer having been examined by the President and Board, are found to correspond with the vouchers.

Taat as the President will be in New York on or about the 1st September, the Agent be advised to pay over to him whatever monies he may have called in on the instalments in that city.

At a Meeting of the Board, 6*th September*, 1825.

PRESENT :

Henry J. Boulton, Esquire, *Vice President.*
George Keefer, Esquire, and Wm. Hamilton Merritt, Esquire, } *Directors.*

Ordered, That our Agent write the respective Agents to transmit us an account current up to this date, with the amounts paid in by each stockholder.

That all stockholders be required to pay up to 15 per cent on the amount of their subscriptions.

That Edward McMahon, J. G. Chewett, and R. W. Prentice, not having paid in their instalments shall forfeit the same as the law directs.

That our agent advertise the timber for sale at private contract in one of the Buffalo and Lockport papers, that Mr. Roberts, the American Engineer, having examined the two proposed routes of the Welland Canal, the one descending the mountain by Mr. Decow's, the other by George Keefer, Esquire's—and coinciding with the Company's Engineer, Mr. Samuel Clowes, that the latter route is decidedly the cheapest, and will make the most perfect navigation.—The Board then unanimously adopted the same.

That our Agent give notice that proposals will be received on the day of November for completing the whole line of the Welland Canal from Lake Erie to Lake Ontario.

At a Meeting of the Board, 10*th September*, 1825.

PRESENT :

Henry J. Boulton, Esquire, *President.*
George Keefer, Esquire, and Wm. Hamilton Merritt, Esquire, } *Directors.*

Ordered, That the Agent have £25, to be accounted for in paying contingencies next meeting.

At a Meeting of the Board, 20*th September*, 1825.

PRESENT :

Henry J. Boulton, Esquire, *President.*
Simon McGillivray, Esquire, George Keefer, Esquire, and Wm. Hamilton Merritt, Esquire, } *Directors.*

Mr. McGillivray tendered the name of the Hon. William Allan as a subscriber for 20 shares, and tendered his own name as a subscriber for 22 shares, in addition to his present interest in the stock of the Company, both which tenders were accepted, and the three first instalments thereon paid, being 15 per cent, amount £78 15s.

It was unanimously resolved, That the Hon. William Allan be elected a Director of the Welland Canal Company during the interval between this date and the regular election of Directors in the year 1826.

Considering the important services rendered to this undertaking by William Hamilton Merritt, Esquire, before the passing of the late Act of the Provincial Legislature, and his appointment as Agent for managing the works of the Canal, services and exertions which occupied his time for a period of nearly two years, and to which the directors cannot but in a great measure attribute the success of the project, from which so much public benefit is likely to arise, referring also to the vote adopted on the 14th April last, whereby Mr. Merritt was requested to accept a sum of money in remuneration of those services, but which sum was left blank—the Directors though admitting that in the case of any honorary or other acknowledgement to a member of their own body—it would be more desirable to have the amount fixed by the proprietors at large than by themselves—yet under the circumstances of this case and considering the proposed acknowledgment to Mr. Merritt is in fact a debt which in equity they are bound to pay: It is *Resolved*, That the blank left in the said resolution of the 14th April last, be filled up with the words "*five hundred pounds.*"

In consideration of the importance of avoiding all occasion of dispute about the property of the land bordering on the line which may be determined on, for the course of the Canal, betwixt the Deep Cut on the Bank of the Welland River and the Harbor at the Twelve Mile Creek, on which line will be situated the valuable mill seats which are to be formed by the water admitting through the Canal, snd in order to prevent any question with the present proprietors of such lands, about the right of erecting mills or other buildings on scites which are to derive their value from the operations of the Company, considering that it is only just that the Company should enjoy the benefit arising from their own improvements and that the powers granted to them by their Charter, wore intended by the Legislature to secure the same. —It is therefore *Resolved*, That 10 chains by 8 in front of the Canal mouth, and 4 chains wide by 10 in length, be appropriated at its junction with the Welland River in Thorold, and that 2 chains wide on each side of the Canal reservoirs and the Harbor exclusive of towing path, be appropriated from the Holland road to the mouth of the Twelve Mile Creek, together with the beach in front of the embankment at the Harbor which beach having been lately purchased by Mr. Merritt from Mr. Pawling the proprietor of the adjoining lot on the west side of the Twelve Mile Creek at its entrance into Lake Ontario, has been liberally relinquished to the Company by Mr. Merritt at the same price which he paid for the same.

That in order to carry the above resolution into effect the agent do immediately negotiate with the

owners or occupiers of the above land, and lay a statement of the amount claimed upon the Board, as soon as the said land may be laid out, that
be employed to run the said line.

That in order to enable the Company to increase the body of water in the Canal, and to raise the level of the same at the Deep Cut and elsewhere, as may be found expedient, a guard lock be erected across the Welland River below the entrance of the Canal whereby the level of that River may be raised as far as may be required; and inasmuch as this process will prevent any water from flowing out of the Niagara River and through the Welland River into the Canal, and it is not deemed expedient to trust to the Welland River alone for the supply which will be required, but to render Lake Erie or the Grand River at its mouth at once the summit level and the Feeder of the Canal—*Be it Resolved*, That from the Grand River to the entrance of Misner's Creek near the River Welland, the Canal be cut of the depth of 3 feet below the low water mark of Lake Erie, 30 feet wide at the bottom and the same slope at the sides as in the deep cutting at the east side of the River Welland.

The reports of our surveyors in regard to the route of the Canal from Holland road to St. Catharine's, were read and reconsidered together with the maps and profile prepared in order to be transmitted to England was read and taken into consideration, but the paper being very long and the subject of the utmost importance it was only arranged in regard thereto that Mr. Boulton should take the papers with him to York for further consideration and from thence to transmit them to Mr. McGillivray, by whom and by Mr. Irvine, they are to be recommended to their friends in England.

On further consideration of the importance of this intended appeal to Capitalists in England to furnish the Directors with that portion of the Company's Capital which remains to be subscribed and which has been expressly reserved for the Stockholders whom they hope to find in England in preference to those who might have been found elsewhere. Feeling the propriety of offering the most ample and satisfactory explanation on every point and considering the difficulty of so doing and especially the difficulty of meeting questions or doubts arising from the want of local knowledge of this country in any other manner than by the presence and personal communication of some Agent or representation duly authorised and qualified to afford such information as may be required, it was agreed that such mission to England, if undertaken by a competent person, would offer the most probable means of ensuring the success of the intended appeal to that country for the remaining Capital.—And Mr. Boulton having kindly volunteered his services for this purpose for three or four months on condition merely of his reasonable expenses not exceeding the sum of £300 sterling being paid. The proposal was received with due acknowledgment, and it was *Resolved*, That HENRY J. BOULTON, Esquire, be authorised and required to proceed to England as the Agent and Representative of the Welland Canal Company, to obtain such capital as may be required by the Company and in negotiating for the same and in all matters connected with this mission to act according to such instructions as he may hereafter receive from the Board.

That the Welland Canal Company do pay Mr. Boulton's reasonable Expenses in this Mission not exceeding the sum of £300 sterling.

At a Meeting of the Board, 6*th October*, 1825.

PRESENT:

The Honorable William Allan,
George Keefer Esquire, and
William Hamilton Merritt Esquire, } *Directors.*

It was resolved that the Board of Directors at their last meeting notified their Agent to signify to the Board that when they again assembled, that it was their desire the Hon. Wm. Allan should be appointed Vice President during the present year in consequence of the absence of Mr. Boulton, the present Vice President who is absent to procure the subscription of Stock designed for the London Market. The Honorable Wm. Allan was accordingly appointed Vice President of the Welland Canal Company.

Ordered that 5 per cent be called in for the present month, making 20 per cent on the amount of Stock subscribed by each Stockholder, and that our Agent notify the different Agents of the same.

Ordered that the Vice President draw in favor of the Cashier of the Bank of Upper Canada on Thomas Proctor of New York at 30 days sight for £1500, on the Bank of Montreal for £750, and that our Agent advise them of the same.

Ordered that our Agent notify each Stockholder that they pay their respective instalments into the Bank of Upper Canada at York or the Branch Bank at Niagara, and give public notice of the same.

At a Meeting of the Board, 26*th October* 1825.

PRESENT.:

The Honorable William Allan, *Vice President.*
George Keefer Esquire, and
William Hamilton Merritt Esquire, } *Directors.*

The Board of Directors being aware that the whole line of the Canal from the Welland to Lake Ontario would be placed under contract the ensuing Meeting and being fully aware of the importance of selecting the best Contractors on the most advantageous terms for the interest of the Company, solicited the attendance of James B. McAulay Esq. that they might avail themselves of his assistance as a legal adviser in the absence of the Company's Solicitor.

Many proposals were delivered in for the construction of the Locks and some on lower terms or for a less sum than the offer accepted but from the character and responsibility of the Company offering as well as the importance of having this work properly and faithfully executed, the Board decided on letting the whole to Messrs. Beach, Ward, Hovey & Phelps—at the sum of £550 Cy. per each Lock.

Whereas doubts have arisen whether the Company have power to take and appropriate 2 chains on each side of the Canal, *Resolved*. That we submit the question to the Attorney General for his opinion thereon.

Ordered, That 5 per cent on all the Stock subscribed be called in making 25 per cent in all.

Ordered, That the President draw on our Agent in New York for the sum of £1500 Cy. and on our Agents in Montreal and Quebec for the sum of £500.

Ordered, That our Agent sign Scrips or Certificates for each instalment called in from the Stockholders in the Upper Province and leave them monthly at the Bank of Upper Canada in York and the Branch Bank of U. C. in Niagara and that this arrangement take place from the 7th instant.

A proposition having been made to the Directors by E. S. Beach Esquire, of Rochester and George Keefer, Esquire, of Thorold that they would construct or cause to be constructed a large and extensive Flouring Mill with at least 4 runs of Stones on the line of the Welland Canal, capable of making the best superfine Flour, adjoining St. Catharines and at the first Locks on the mountain, and have the said Mills in readiness by the time the water is let into the said Canal. Be it *Resolved,* that the said E. S. Beach, Esq. and George Keefer Esquire be allowed the privilege of a Mill seat for the above purpose, providing they perform the said condition, the above proposition having likewise received the sanction of Simon McGillivray and Henry J. Boulton Esquires, at the meeting of the Directors on the 20th September last.

At a Meeting of the Board, 22*nd November* 1825.

PRESENT:

The Honorable John Henry Dunn, *President.*
The Honorable William Allan, *Vice President.*
William Hamilton Merritt Esquire, *Director.*

The Board considering it will be necessary for the Welland Canal Company to have a resident Agent in England providing the Stock is taken up which was reserved for that Market in the 1st instance.

1st *Resolved,* That Henry J. Boulton, Esq. his Majesty's Solicitor General now in London and one of the Directors of this Company, be requested to offer the situation of Agent, under the direction of the Committee who may be appointed, to Mr. Galt, who is now Secretary to the Canadian Land Company.

In order that the affairs of the Company may be conducted in such a manner as may be likely to meet with equal approbation, to all concerned, as the Canada Land Directors will no doubt feel the vast importance of this Canal to the Canadas, it would in the opinion of the Board be highly important that some of those gentlemen should be solicited to undertake the management of the Welland Canal Stockholders in Great Britain.

Resolved therefore that a Committee be formed in London, consisting of not less than 5 gentlemen, and that from Mr. Galt's personal knowledge of the province, that he be recommended to this Committee as a proper person to fill the situation of Agent to conduct the affairs of the Welland Canal Company in London, and that Mr. Galt's reasonable remuneration be fixed by the said Committee.

Resolved, That stock to the amount of £100,000 be disposed of in London agreeably to a resolution of the Board of Directors of the 14th April last, (immediately after the passing of the Act of Incorporation) in which this sum was reserved for the London Market.

Resolved, That the instalments necessary for prosecuting the work be called in monthly, as has been the case in America, and that the said instalments shall not exceed 10 per cent.

Resolved, That on subscribing for the said stock 10 per cent should be deposited in the hands of Messrs. William Williams, Burgess and Williams of London, the house heretofore named by the Company, or any other Bankers in London who may be named by the Committee.

That the subjoined rule, passed by the Board 14th April last, regarding the method of drawing drafts for the instalments paid in London, be transmitted for the information of the Committee.

"*Resolved,* That all Bills to be drawn on our Bankers in London, shall be signed by the President and Vice-President, by order of the Board.

"*Resolved,* That the drafts on London shall be disposed of at the highest rate of Exchange in the Canadas, and the proceeds to be accounted for accordingly, for the benefit of the stockholders resident there.

"*Resolved,* That the Engineers reports, plans, profiles, and such other documents as may be necessary, be immediately sent Simon McGillivray, Esquire, at Montreal, to be transmitted to England.

"*Resolved,* That acopy of the above resolution be transmitted Simon McGillivray, Esquire, Montreal, and the Hon. James Irvine, of Quebec, two of the Directors of this Company, for their information."

By order of the Board,
JOHN H. DUNN,
President, W. C. C.

Resolved, That the whole line of the Welland Canal is now under contract from the Welland River to Lake Ontario, that a necessity for the office of the Company being at St. Catharine's for the convenience of persons offering as Contractors for the work and other local business does not now exist, and as the President and Vice-President of the Company from necessity residing at York the seat of the Government of Upper Canada, will not be able to attend the meetings of the Directors at St. Catharines, that the said office be immediately removed to York and the Agent to deposit all books, papers, &c., relating to the affairs of the said Company without dleay.

Resolved, That the President and Vice-President jointly, hire an eligible house for an office and a suitable person as Book-keeper, and to transact whatever other business may be required on account of the Company.

At a Meeting of the Board, at YORK, *7th December,* 1825.

PRESENT:

The Honorable John Henry Dunn, *President,*
The Honorable William Alllan, *Vice-President.*
George Keefer, Esquire, and
William Hamilton Merritt, Esquire, } *Directors.*

The President stated that agreeable to a resolution of the last Board, authorising himself and the Vice-President to engage an office for the Company, and a person to keep the books, accounts, &c., they had made choice of Mr. Wenham to perform the duty.

Resolved, That the Engineer shall make out an estimate of the amount due upon each contract on the first of every month, the same to be certified by the Agent and transmitted to the Board at their monthly meeting.—[*Expunged 2nd September*, 1835.]

The office of the Company being removed from St. Catharine's in consequence of which all official communications are in future to be made to and by the President at York, and all the books and records are to be kept here, It is resolved, that the Agent Mr. Merritt, residing at St. Catharine's, shall have the general superintendance of the Engineers, Surveyors, Contractors, and all other persons in any way employed by the Company, and that he shall keep a private account with all the Contractors of the monthly performance of their work according to the Engineer's estimate, which he shall certify and transmit to the President in order that the same may be laid before the Board; upon which he shall receive a draft for the amount to be paid to the parties on taking their receipt for the same,—[*Expunged 2nd September*, 1835.]

Resolved, That an application be made to Major Hillier, Secretary to his Excellency the Lieut. Governor requesting permission to cut timber for Piers &c., for the use of the Canal, from off the Government land adjoining the twelve and sixteen mile Creeks.

Ordered, That the timber belonging to the Company now lying on the River Welland which was furnished by Contract by Mr. Brundage, be advertised for sale by Public Auction on the 1st Monday in February next, the same not to be sold for less than 7s. 6d. per 100 feet.

Mr. Merritt laid before the Board a letter from Mr. James Gordon, Treasurer, under the 1st Act of Incorporation for a further consideration of his services, which being read it was *Resolved,* That during the time Mr. Gordon acted as Treasurer under the 1st Act he received his per centage according to agreement, and that £50 having been awarded him by a resolution of the 20th Sept. last for all duties performed duriug the extra time he continued in the service of the Company, the Board are unwilling to make any alteration in that decision.

It was *Ordered,* That the different Agents be immediately written to, requesting their accounts current to the 30th ulto. with a full list of Subscribers and Instalments paid to that date, desiring them to furnish supplementary Accounts to the 31st inst., in order that the Accounts may be balanced at the close of the year.

Resolved, That Mr. Roberts be engaged as Engineer from the 1st of April next at a Salary of £500 per. annum, besides his expenses of Board, Lodging &c., and that Mr. Merritt be requested to inform him to this effect.

JOHN H. DUNN,
President.

At a Meeting of the Board at York, *8th Dec.* 1828.

PRESENT:

The Honorable John Henry Dunn, *President.*
The Honorable William Allan, *Vice President.*
George Keefer Esquire, and
William Hamilton Merritt Esquire, } *Directors.*

Resolved, That the President draw on Thos. Proctor the Company's Agent at New York, at 30 days sight for £2000, and that the same be paid into the Bank on account of the Welland Canal Company to meet the above disbursements.

Resolved, That the sum of £25 be paid to Mr. Smith as a remuneration for his services to the Company while the Office was at St. Catharines.

As the Board will not meet again till Feby. next, unless Special business should require—

It is *Resolved,* That a further instalment of 5 per cent. is directed to be called in, payable on the 5th January 1826.

JOHN H. DUNN,
President.

No. 6.

WELLAND CANAL COMPANY.

DIRECTORS REPORT.

To His Exceelency Sir P. Maitland K. C. B. Lieutenant Governor, &c. &c. &c.

To the Honorable the Legislative Council and to the House of Assembly of the Province of Upper Canada.—To the Proprietors of the Welland Canal, and to the Public:—

The Directors respectfully submit the following Report, viz:

An Act passed the Legislature of the Province of Upper Canada in February 1824, incorporating a Company with a Capital of £40,000 to cut a Canal for Boat Navigation around the Cataract of Niagara, and thus to open a Navigation from Lake Ontario to Lake Erie by means in part of the River Welland; which flows into the Niagara above the Falls, and from which the company take its name, being Incorporated under the style and title of the Welland Canal Company.—About £10,000, or one fourth of the whole Capital was immediately subscribed, the Company was regularly organized, and the work commenced, but the Directors upon a minute inspection of the uncommon natural facilities which present themselves on the line of the Canal, were induced to postpone their operations from the conviction that such a vast object as that of connecting the upper with the lower Basin of the St. Lawrence, demanded a water communication of far greater dimensions than the one contemplated, and capable of admitting all such vessels as usually navigate the Lakes. On referring the plans and estimates to the Stockholders, the conduct of the Directors was highly approved and it was determined to petition the Legislature for an Act authorising them to increase their Capital Stock to £200,000, a sum trifling as it appears to be compared with the magnificence of the object to be attained, yet quite sufficient to complete a Canal capable of allowing Vessels of considerable burthen to pass from one Lake into the other, thus opening a

continued internal navigation without breaking bulk, of more than a thousand miles.

The Legislature had only to revert to the peculiar position of the country to be convinced of the immense advantage that must accrue to the Canadas and to the British Empire, from the completion of this magnificent undertaking, and therefore readily granted the prayer of the Petition by passing an Act on the 13th April, 1825, enabling the Company to increase their Stock for the purposes herein mentioned to £200,000.

On the day subsequent to the passing of this Act, the Directors assembled, and being anxious to preserve the management of the Company under British influence they determined to preserve a considerable part of this increased stock, in order to be offered in the first instance to subscribers in England. Of the original Stock of £40,000 more than one half has been subscribed in New York, and there was little doubt but that the whole capital required might at once have been obtained in that oppulent and enterprising city: whereas in Canada the want of capital in the country precluded any prospect of obtaining subscriptions to so large an amount. Feeling the expediency of immediately obtaining means to proceed with the works which had already commenced, and at the same time being desirous that at least a majority of the Stockholders should be British subjects, the Directors resolved to limit the subscription in New York to £75,000, which sum was immediately taken up by the old Stockholders to whom the option was first given, so that at a Public Meeting which had been advertised for opening books and receiving subscriptions, no subscription could be accepted, and such was the general opinion of the benefit promised by the undertaking, that more than the whole capital would, at that meeting, have readily been subscribed, but the President of the Company who was present in person, refused to receive more than the £75,000. Of the remaining Stock £25,000 has been subscribed in the Canadas and thus £100,000, or one moiety of the whole, remains to be subscribed in London. It was deemed requisite that one of the Directors should proceed to London to afford such explanations and local information as might be requisite to make the necessary arrangements for obtaining the required subscriptions, this mission was entrusted to Mr. Sol. General Boulton, late Vice-President of the Company, who resigned that office on his recent departure for England, and with whom Mr. McGillivray, another of the Directors, being about to return to England is now associated. The delay which has taken place in submitting the object of their mission to the public in the British metropolis, has arisen from the necessity of procuring correct maps of the country through which the Canal is to pass, and proper sections, reports and estimates of the work itself, for the information of those who might desire to become subscribers. In the mean time the Canal is rapidly advancing, for the Directors under the impression that more Stock than they require would readily be taken in London, and assured at all events it would be taken in New York, if an appeal to foreigners should become requisite, did not think it necessary to delay entering into contracts till the subscription was full.

In offering half the Stock of the Welland Canal to the Merchants and Capitalists of the first commercial city in the world, the Directors act with confidence upon two facts; first, that the other money has been already taken up by the Merchants and Capitalists in New York and the Canadas, who are well acquainted with the country which this Canal is inteuded to unite and who although in the habit of obtaining six per cent, for their money, the legal interest in these countries, consider this as a far more profitable method of employing their capital.—The second fact presents itself on reviewing the map of the country by which it will be seen that the Canal must be the avenue of greater wealth and commerce than any other now on the face of the earth.

But in order to render this mighty undertaking familiar to the British public, the Directors beg to be indulged in giving a short review of the causes which led to its commencement and to the astonishing results which must follow its completion. In March, 1807, the Senate of the United States of America passed a resolution requiring the Secretary of the Treasury Mr. Gallatin to report to them, at their next session, on the subject of roads and canals. In obedience to this order, the Secretary delivered, on the 4th April, 1808, a most able States paper, in which a general view is taken of the greater number of practicable canals which could be made with advantage in any part of the Union. Some offering benefits which might well be deemed national, others common to several Provinces, and a few only of advantage to individual States, but all tending directly to the augmentation of the power and wealth of the Republic. Among other Canals, one for Sloop navigation around the Falls of Niagara was suggested in order to unite Lake Ontario with Lakes Erie, Michigan, Huron, and Superior. And to preserve the advantage of being the carriers and exporters of their own produce, another Canal as a continuation of the line from Lake Ontario to the Hudson, is also proposed in the same elaborate document.

It is quite evident that this able communication of Mr. Gallatin's, if it has not suggested, has encouraged the different States to undertake and complete many Canals now in operation; and among others that stupenduous work of 353 miles long which connects Lake Erie with the tide waters of the Hudson river; for it follows the line, or nearly so, which Mr. Gallatin points out, till it reaches the place where it becomes necessary to diverge either to Lake Ontario or Lake Erie.

The Secretaries Report was for several years considered speculative, and visionary; and when the practicability of this magnificent Canal was first announced by some eminent and intelligent men of the State of New York, the most distinguished of whom was Governor Clinton, who still lives to enjoy the fruits of his patriotic and persevering exertions, it was treated with contempt and derision. It appeared to be a century before the age; and men incapable of enlarged views while they were forced to admit that it was splendid on paper, declared it impracticable; that the resources of the whole Union were unequal to the expense, that, if made it would be useless and consequently that the Capital would be sunk, or ruinously unproductive. Even political animosity was mingled in the contest; for the advocates of the project being friendly to moderation, they were stigmatised as men hunting for popularity, by visionary

schemes, which must terminate in the ruin and degradation of the State.

When, however, the reiterated explanations of the general utility of Canals and the vast advantage which must accrue to New York by directing to its Market all the productions of the Western States, had made an impression on the public mind and began to dissipate the prejudices of its opposers, the Legislature was induced to pass an Act in 1811, to provide for the improvement of the internal navigation of the State, the Commissioners appointed under this Law procured plans and surveys of the proposed Canal, by which it appeared that the expense would be much less than had been anticipated even by the most frugal calculators. This perhaps arose from the fact, that sources of expense which in other countries are extremely heavy, here cost nothing, viz :— Land for the bed of the Canal, and the water necessary for its supply, the land was readily and joyfully given by the proprietors, and abundance of water was found whenever it was wanted.—These estimates and the facilities which the face of the country exhibited, opened the eyes of the public, and at length good sense triumphed over every opposition.

A water communication to join the Hudson with the Western Lakes was now so far from being considered impracticable, or attended with ruinous expense, that it was deemed of easy accomplishment and of too much utility to be longer delayed. It nevertheless still appeared an undertaking far too great for a Company, or even a single State, and an application was therefore made to the general Government as well as to those States which were more immediately interested in its accomplishment, for pecuniary assistance.

No aid was given: Congress pronounced it a Provincial, not a National object, and the other States immediately interested, had either no available funds or were not sufficiently convinced of the benefit to themselves to justify any sacrifice.

The State of New York was therefore left entirely to its own resources. But disappointment did not chill the ardour of the friends of the measure, on the contrary, it increased their diligence and zeal. Some delay however was produced by a difference of opinion among intelligent men, whether it would be more advantageous to carry the Canal at once from the Hudson to Lake Erie, or first to Lake Ontario, and then to pass around the Falls, as had been suggested by Mr. Gallatin.

Those who were for making use of Lake Ontario as part of the line, agreed that it was absurd to abandon the navigation of the most noble, the most beautiful, and most commodious means of internal communication ever presented in any part of the world.—That to reject such a gift, provided by the bounteous and ever prodigal hand of nature, without any expense, and on a scale, which human science and human labour, or the treasures of a world are competent to rival, and to institute in its stead a narrow, winding, obstructed Canal, would be an insult to common sense, and to degrade the character of their rising nation. That a Canal round the Falls of Niagara should be for a ship navigation, since it was truly a national object, and ought to be executed on a scale of unrivalled magnitude.—That it was a task, which if properly completed, would be of equal duration with the world, and ought therefore to be accomplished at any cost and at any trouble, not grudging the most liberal supplies, or neglecting to apply them with unremitting attention and perseverence till the object is ascertained.—Such a Canal, said they, has been estimated at £250,000, but it is more than probable it will cost more than five times that sum, and yet it will be cheap, for of its vast productiveness there can be no doubt. Already the trade with the Western States is great, notwithstanding the difficulties which it has to encounter, but the rapidity of its increase from the growth of population when these difficulties are removed it is not easy to conjecture.—Through this Canal must the whole commerce of the western countries forever pass, whether destined to the St. Lawrence, or to the Hudson, to New York, or Montreal.

Once afloat on Lake Ontario, a Canal around the rapids of Oswego, will present a fair competition between both markets, and the commodity will reach the one where its price is higher.—This alone is the interest of the producer, and indirectly of the consumer, and by such a communication only can justice be done to the inhabitants of the United States, living on the banks of the Canadian lakes. To this it was answered, that to cut a Canal round the Falls of Niagara in order to admit the productions of the Western States into Lake Ontario, would be to commit suicide, as it were on the commerce of New York. For once afloat in the bosom of Ontario every thing would proceed to Montreal, where the best market will generally be found.—But were the markets equal, or even a little better at New York than at Montreal, the commodities passing through the Canal would proceed to the latter, as they would reach Prescott or Ogdensburgh, only 120 miles from the Canadian market, in the same vessel as they could the mouth of the Oswego, where the proposed Canal from Ontario to the Hudson is to commence a point nearly 400 miles, or more than three times that distance from New York. Moreover produce can be cenveyed from Prescott to Montreal in thirty hours, and from Oswego to New York it must take at least eignt days. These arguments were decisive with the Merchants of New York, who were the principal supporters of the Canal, and who, as might have been expected, were little disposed to hazard the loss of a trade so lucrative and immense by allowing it even a chance of passing through another channel. It was therefore determined to extend the Canal at once to Lake Erie, so that after the productions of the vast countries west of the Falls of Niagara would be once unloaded from the vessels on the lake into boats on the canal, there might be no danger of their being diverted from the New York market, by the temptation arising from the greater facility of conveyance to Montreal.

There were doubtless other considerations which had great weight with the Legislature of the State of New York in persuading them to adopt the present line of Canal in preference to the route by Lake Ontario. The public mind was indeed too enlightened on the subject of Canals to relinquish the one proposed between Lake Erie and the tide waters of the Hudson; but assistance from other states and the government had been asked and refused, and therefore the expense of the more magnificent work appeared far beyond their abilities.—Some were even

afraid that a Boat Canal through so vast an extent of country would exhaust the revenues of the State; and it was not without much apprehension that the attempt was made on a very reduced scale of forty-five feet wide at the top, with four feet water; to extend from the Hudson at Albany, to Buffalo and Black Rock, on Lake Erie, a distance of 353 miles.

The commencement of this stupendous work excited the most earnest attention of the inhabitants of Upper Canada. It was likely to deprive them of the advantage of becoming the carriers of all the produce of all the extensive countries belonging to the United States, west of the Falls of Niagara, and to divert much of their own produce to New York; and altho' they beheld in the Canal a pledge of peaceable intention on the part of the American people, and a relinquishment by, at least the State of New York, of any hope of ever conquering the Canadas, and were moreover filled with admiration at the magnitude of the work, it was nevertheless attended with feelings of regret that the resources of the Province were too feeble to enable them to improve their own greatly superior natural advantages.

But in the state and with the prospects of the Colony at that time; recovering slowly and with difficulty from the cruel effects of an unnatural and desolating war in which the inhabitants had suffered most severely, the produce of the soil remaining on the hands of the cultivator, without a market, and the extension of commerce restricted by the shackles of a Colonial system, the child of a darker age; it seemed hopeless to attempt any competition with their powerful and enterprising neighbors.

So soon however, as the more liberal policy of the enlightened Statesmen, who now direct his Majesty's councils began to be developed, and a prospect was opened to the Colonies of a free commerce with all nations, and of receiving greater privileges and advantages in the ports of the Parent State, as well as in those of each other, a new spirit was infused into the Province and enquiries were made to ascertain what natural facilities offered themselves for the improvement of internal navigation. Accordingly, in 1821 an Act was passed by the Legislature, appointing a Board of Commissioners to report upon this interesting subject.

It is due to the memory of the late Mr. Nichol, formerly an active and very intelligent member of the Legislature, to remark that his zeal in the cause of public improvement occasioned this measure to be brought forward at an earlier period than it otherwise would have been; and that so long as he lived he persevered very faithfully in carrying it into effect.

The example of the State of New York, vigorously engaged in completing an inland navigation, from the Canadian Lakes to the Ocean, a work which might have well been thought to exceed its power, directed the attention of the Commissioners to the joining of Lakes Erie and Ontario by a Sloop navigation. This was not only the most obvious, but the most important work which could engage their attention; and accordingly a Survey was made by an able Engineer, and Estimates of the probable expense carefully calculated.

Subsequent experience and examination have shewn that the route chosen by the Commissioners, though possessing some peculiar advantages, was too circuitous: by which the expense was very much enhanced. The conception was indeed magnificent, —the Canal was to have 7 feet water and to admit all such Vessels as usually navigated the Lakes; but the execution was far beyond the resources of the Province, and the Legislature was compelled, though not without reluctance, to defer the undertaking till more propitious times, and the growing wealth of the Colony might justify its commencement.

This delay, instead of checking increased the ardor for internal improvement; even persons of moderate temperament were encouraged by the success which attended the opening of every mile of the New York Canal. No sooner was one section finished and the water introduced than the tolls did more than repay the interest of the Capital expended: and in prosecuting the work, it was found that, contrary to usual experience, the estimates of the Engineer almost always exceeded the actual expense.

These matters of fact induced some active spirits who had a more immediate interest in connecting the waters of Lake Ontario and Lake Erie, to examine whether a more favourable line could not be discovered than that which had been adopted by Colonel Nichol and the other Commissioners. It had indeed been conjectured that there were more convenient routes for a Canal, and accordingly Surveys were made at different points; but owing to the ignorance of the persons employed or the greatness of the expense attending a minute examination, they all came to nothing.

At length several enterprising gentlemen, living on the banks of a small creek, which runs into Lake Ontario, called the *Twelve Mile Creek*, the source of which is very near the deep river *Welland* which communicates through the Niagara river, above the Falls, with Lake Erie, were induced to believe, from carefully observing the valley of the Creek and its gentle declination towards Lake Ontario, that it afforded singular facilities for Canal navigation. One of these gentlemen, W. H. Merritt, Esq., possessed of great zeal and energy, and to whose exertions in forwarding the Canal, the Province will ever be indebted; entertaining this idea, examined the course of the creek and was so much encouraged with the facilities it presented, that procuring the assistance of an experienced Engineer, a line was surveyed, by which it was discovered that very little cutting would be necessary, and that the Locks could be placed in a ravine of such gradual declivity, that they could be built at sufficient distances from one another.

Pursuing with ardour his object, Mr. Merritt procured plans and sections, as well as estimates of the expense of completing a canal for boats which hardly amount to £40,000. Having proceeded so far he very naturally supposed that this sum was not too much to be assumed by a private company, and many persons thinking well of the project, joined him in petitioning the Legislature that they might be incorporated with a Capital of £40,000, for the purpose of opening a canal for boat navigation between Lakes Erie and Ontario. On passing this law, in the Spring of 1824, a large portion of the capital was immediately subscribed, and the work was actually begun; but as we have already noticed, it appearing upon a

more minute examination of the route, to be uncommonly favorable and capable at a little additional expense, in comparison to the object of admitting an excellent Sloop navigation; the Directors thought it prudent to pause in their proceedings and to petition the Provincial Legislature to allow them to enlarge their capital to £200,000, in order to make the canal capable of receiving such vessels as usually navigated the Lakes.

The Legislature was more disposed to grant this increase of capital from the many advantages the State of New York was already reaping from such parts of their canal as were finished, though made on a scale so inferior. The amount of Stock as by the Act passed, was taken up rapidly by those who were best acquainted with the country, thus affording to strangers the strongest guarantee possible, not merely of the safety, but of the uncommon advantages which must ultimately accrue to the Stockholders. The avidity with which the Stock was sought in the city of New York has been already mentioned, and the facility with which the whole capital required might there have been obtained, but Upper Canada is a British Colony, the Directors are loyal British subjects, and anxious that their fellow-subjects should be their constituents and in the hope that the Province might derive other important benefits from British Capitalists taking an interest in its improvements, and finding that interest advantageous to themselves, they reserved £100,000 for their capital, to be offered to subscribers in England, and confident in the vast benefit of the undertaking and anxious to accelerate its completion, they are in the mean time proceeding with the work, as if the subscription had already been filled.

The proposed Canal as appears from the report and drawings of the Engineer, commences at the mouth of the Twelve Mile Creek, on Lake Ontario, and terminates at the mouth of the Grand River or River Ouse on Lake Erie, a distance of 41 miles. It may be described generally as consisting of *three* great sections; the *first* of the length of *sixteen miles*, ascending from Lake Ontario, passing through a ravine in the mountain ridge, and entering the River Welland, through a deep clay bank which divides it from the mountain ridge, and in which for a distance of $1\frac{3}{4}$ miles the canal is to be cut from 30 to 54 feet 6 inches, which is the greatest depth at any one point. This *deep cut* is already under contract and it is ascertained that the bank consists wholly of clay.—It is also a peculiar advantage possessed by this line, that in passing through the mountain ridge and in a considerable part of the descent from thence into Lake Ontario, the Canal follows the direction of the natural ravines, where no excavation will be required, and where it will only be requisite to form embankments in which to construct the Locks, whilst the width of the ravine is such as to form ample reservoirs; and the slope is so easy and regular, that one of these reservoirs will in almost every instance be interposed between each two Locks throughout the descent and the sloping banks of these ravines, and the abundant and inexhaustible supply of water, afford an almost unlimited power of Hydraulic machinery, which it is intended to connect with the Falls at the different Locks, and which it is hoped will soon afford a considerable revenue to the proprietors of the Canal.—The difference of level from Lake Ontario to the River Welland, is about three hundred and thirteen feet, requiring about 35 Locks: and this is the first section to be completed.

The second great section of the Canal consists of the River Welland itself, which for a distance of nearly thirty miles resembles a canal more than a running stream, having scarcely a perceptible current, and being from 12 to 30 feet deep, so that it will only be requisite to construct a towing path along its bank.—The Canal opens into the Welland about 8 miles above its entrance into the Niagara River, at the Village of Chippawa; and by that route on constructing a towing path from the opening of the canal to the mouth of the Welland, an inland navigation around the cataract of Niagara, is in fact accomplished; because from the mouth of the Welland, vessels can sail up the Niagara River into Lake Erie, but below Fort Erie there is a strong current in the river, and besides avoiding this impediment to the navigation, in the case of vessels ascending, there are other important advantages which will be attained by the intended opening of the Canal into Lake Erie through the Grand River.—Therefore, in addition to the towing path from the Canal to the mouth of the Welland there is another towing path to be constructed, ascending the course of the River for a distance of 11 miles, which may be described as constituting the second great section of the Canal.

The 3rd great section is a cut of about 12 miles from the Welland to the Grand River, through a flat swampy tract of country, called the Canboro' or Wainfleet marsh, the surface of which is about 8 feet higher than the level of Lake Erie.—It was at first proposed to cut the canal on a level with the surface of this tract of country, and to supply it with water from a feeder from the Grand River above the rapids; but the present and the more improved plan is to cut an excavation through the Camboro' marsh to the depth of 16 feet, which will render Lake Erie at once the summit level, and the feeder of the Welland Canal throughout its whole extent.

At the mouth of the Grand River there is a harbor to be constructed; and it will thus be seen that the canal has two outlets for vessels ascending from Lake Ontario; one through the Niagara River into the eastern extremity of Lake Erie, and opposite to the entrace of the American grand Erie Canal, and another through the Grand River into Lake Erie, at a distance of 40 miles nearer to the central and western shores of the lake, besides, with which reduction of distance in lake sailing the route by the Grand River offers other important advantages to vessels from the upper parts of Lake Erie.—From the Grand River to Fort Erie, the navigation on Lake Erie is dangerous, and at Fort Erie there is no good harbor, nor is it ascertained if the new American harbors at Buffalo and Black Rock will resist the severe gales of wind which are frequent in the fall of the year, and the heavy surf which rolls on the beach at that end of the Lake where the coast is much more exposed to its violence than at the mouth of the Grand River. The prevailing winds on the Lakes are from the westward; and by a glance at the map, it will at once be seen that a gale of wind from that quarter sets on that Beach at Buffalo with an uninterrupted sweep of above 200 miles, whereas the mouth of the Grand River partially protected by head lands on each side of its own bay, and further

sheltered from the gales of wind, by Long Point, which projects nearly 30 miles into the lake.

Another circumstance is to be noticed peculiarly advantageous to the canal entering at the mouth of the Grand River, and which arises from the form of Lake Erie, the prevalence of westerly winds, and the gradual though scarcely perceptible flow of the current towards the outlet of the lake into the Niagara River, where the current being at length contracted as into a funnel, an accumulation of ice from the lake regularly takes place every spring, and effectually blocks up the channel; thus forming a barrier which prevents the opening of the navigation at Buffalo and Fort Erie, for a certain time after the ice has disappeared in the rest of the lake, and after the opening of the Grand River—which, as it flows into the lake without obstruction, carries away the ice before it with the first freshet in the spring.—This difference of time betwixt the opening of the navigation of the Grand River and the River Niagara, has seldom been less than three weeks, and in some seasons has been five weeks; but estimating it at a shorter period, it gives to the Welland Canal the advantage of being open before the American Canal for three weeks of the most important part of each season.

These general inductions are deemed sufficient for this place, the details and estimates are in the hands of the Directors, who will most cheerfully submit them to the inspection of any person who may be disposed to examine them—they have been drawn up and calculated by an Engineer of great intelligence and professional knowledge, on whose accuracy the Directors, from long experience, have the most perfect reliance.—From the whole it is seen at how little expense the canal may be constructed, and how much the bounty of nature assists in its formation.

It was happy for Upper Canada that the canal undertaken in the state of New York, and now almost completed, is on a scale so very small, and is nevertheless attended with immense profit; for this example encouraged the colonists to attempt what perhaps they never would have dared even to imagine, a canal of similar dimensions.—This attempt led to a minute examination of the route, the facilities of which appeared so great that their views gradually expanded, and they began to consider a canal on a far greater scale as possible, and not greatly beyond their resources; the more they examined the country through which it must pass the more easy of accomplishment did it appear—and from considering it possible, they began to think it advisable, and even despise the more humble attempt they had formerly conceived.—It was therefore equally fortunate that a canal of similar dimensions with that of our neighbors was at first proposed, and that it has been enlarged from a conviction arising from the existence of local advantages which will render it infinitely more profitable, convenient, and important; such are the causes that led to the project now going forward of uniting the great Lakes of Canada by a sloop navigation.

In touching upon the mighty results which must attend or soon follow the completion of the Welland Canal, the truth will assume the appearance of the most extravagant exaggeration to those who do not make themselves acquainted with the singular Geography of North America. We therefore desire all those who are astonished at our remarks and feel inclined to pronounce them erroneous, to take this preliminary step, by placing a Map before them and estimating the wonderful water capabilities which present themselves, and the immense countries which can approach the Sea only by the St. Lawrence.—Moreover, to judge correctly, those conversant with the largest and most productive of European Canals must divest themselves of prejudices in their favor, and only take into account the facilities of communication which they offer when compared to those which will be opened by the Welland Canal.

Darby, one of the most faithful of Geographers, who never published a Map till he had traversed on foot the country which it represents, estimates the Valley of the St. Lawrence, above the Falls of Niagara, exclusive of the Lakes, at 186,700 square miles, to which we may add the Valley of the Ohio, containing 226,000 square miles, when the Canal now cutting between that River and Lake Erie shall be finished. Thus the commercial intercourse between the Sea and upwards of 400,000 square miles of fertile land, must pass through the Welland Canal or the smaller one belonging to the State of New York. When this fact is considered the first idea that strikes us is the impossibility that the produce of countries so vastly extensive can pass through these two Canals, and the necessity that soon must arise for opening other communications to meet the increase of commerce: but as no other can be made with any prospect of success, except by the straits of Niagara, the Welland Canal need fear no competition.

The reader will have a more distinct conception of the magnitude of the intercourse that must soon be carried on through these two Canals, by supposing Great Britain, Spain, France and Germany to be so situated that all their intercourse with other Nations must come through one narrow Valley, admitting only two or three convenient Roads or Canals—such a supposition gives a vivid image of what must be the case at the Straits which divide Lake Erie from Lake Ontario, and will enable us to form some estimate of the Ships and Boats that must pass through these Canals, bearing the riches of the Western World to the Atlantic Ocean. Nor are these countries in a state of nature and without inhabitants, they are indeed thinly peopled in proportion to their extent; but nearly three millions are scattered over them; and from the known rapidity of the increase of population in new countries the period is at hand when the quantities of produce will be so great as to compel an enlargement of the present dimensions of the Canal, great and magnificent as they are.

It has been found from experience, that when Agricultural produce had to be carted 130 miles it ceased to be worth raising, as the expense of bringing it (a Barrel of Flour for example,) so far, added to that of raising it, exceeds or equals what can be obtained for it in the Market; hence at this distance, a check is put upon agriculture, and the improvement of any country. It has also been found that water communication, such as that which the Welland Canal opens is to Land Carriage as 1 to 25; consequently commodities can be conveyed by Canal and Lake Navigation 3,250 miles, as cheaply as one hundred and

thirty by Cartage. But as 130 miles of Land Carriage ceases to be profitable let us take the limit of 100 miles, at which a positive advantage accrues; and then a Ton will be carried by water 2500 miles at the same rate as you can Wagon it 100 miles. In applying these facts, deduced from experience, to North America, we see the certainty of improving countries, which but for this, must forever have remained in a state of nature, totally inaccessible to civlized man, and discover grounds for believing that all the productions of the upper Valley of the Missisippi, the settlement of which is now commencing, will be conveyed to the Ocean by the Welland Canal, thus opening a farther extent of country of 225,000 square miles. Indeed the communication between the Canadian Seas and the River Missisippi is now practicable at high water; in the Spring loaded Boats of a considerable size pass from Lake Michigan into the Illinois River which falls into the Missisippi, and from Lake Michigan by the Miami River into the Wabash, a tributary stream of the Missisippi; but it would engage us too much in detail to point out the extraordinary facilities which a bountiful Creator has afforded, for opening water communications between the different parts of this vast Continent; it is presumed that enough has been stated to shew the great quantities of produce which, of necessity must pass through the Welland Canal and it is easy to infer the consequent profits that must accrue to the proprietors.

As the Welland Canal and that which passes through the State of New York, from Lake Erie to the tide waters of the Hudson, are in some degree rivals, it may not be out of place to state the superior advantages of the former; but in doing this, the Directors disclaim all wish or intention of disparging the mighty work of their neighbors; for to its astonishing success they are indebted for the commencement of their own. They confine themselves to matter of fact and to the fair exposition of such matters as are necessary to enable those whose assistance they are soliciting, to form a correct judgment on the subject.

1st. The Welland Canal passing on the diameter of an ellipsis forty-one miles long, unites both Lakes at little more than half the length of the present communication by Buffalo and the Falls of Niagara.

2nd. Ships passing the Grand River where the Welland Canal begins, have to sail down Lake Erie about 40 miles to the mouth of the New York canal, and here they are nearly as far from Lake Ontario as if they were at the entrance of the Welland Canal.

3rd. The Welland Canal as has been already noticed, has two outlets; vessels may pass from Lake Ontario by the Grand River into the broadest parts of Lake Erie; or they may proceed down the Welland into Niagara River and thence to Buffalo and Lake Erie.

4th. Vessels have access three or four weeks sooner every year to the mouth of the Welland Canal on Lake Erie than to that of the New-York Canal at Black Rock; add to this that vessels are often detained many days in the narrows, between Black Rock and Point Abino, a distance of 9 miles, but vessels passing through the Welland Canal get at once into the broad lake and therefore make good their passage.

5th. The New-York Canal commences about 500 miles from the sea, of which 353 miles is a Boat navigation, at the end of which you are farther from the market of New-York, than you are from Montreal, at the extremity of the Ship navigation opened by the Welland Canal.

6th. The Welland Canal will bring all the commodities of the Western countries without breaking bulk, within 120 miles of Montreal, and the distance may be passed in less than two days by large boats, on account of the rapidty of the stream; and it will probably in a few years be rendered capable of steam navigation.

7th. The Welland Canal opens an uninterrupted navigation from Prescott and Ogdensburg on the River St. Lawrence, for all craft used in navigating the Canadian seas to the Western shores of Lakes Huron and Michigan, and by removing a trifling obstruction to the head of Lake Superior, a distance of more than twelve hundred miles, or upwards of 3000 miles of coast.

The late Mr. Fulton, justly celebrated for applying steam with effect to the purposes of navigation, calculated that one million of tons would pass the canal, from Buffalo to the tide waters of the Hudson, in a very few years after its completion, (and ten times that quantity in a short period) which at one hundredth part of a dollar per mile, taking the length of the canal at 350 miles to avoid broken numbers, will yield a revenue to the State of three and a half million of dollars per annum. This he reckoned as trifling to the revenue arising from the Canal when the vast regions west of the cataract of Niagara, become full of inhabitants. Supposing an aqual quantity or one million of tons to pass through the Welland Canal at the same time, it would give four hundred and ten thousand dollars per annum, or more than fifty per cent on the original expense, suppose only one half this quantity to pass or that the one million of tons is equally divided between the two cannls, we have still 205,000 dollars per annum, or rather more than 25 per cent on the the capital expended.

If it be said that the state of New-York may remit or greatly lessen the Toll; we answer that the cost of keeping so long a line of canal in good repair, is very great, and will never admit of a total relinquishment of duty; but if it were entirely done away it can be easily be demonstrated, that commodities entering the Welland Canal, can be conveyed at less expense to Montreal and Quebec than the same can be carried for to New York were the whole Toll remitted.

Hence it may be reasonably expected, that this magnificent work will, as a lucrative speculation for the Company,(that is when accomplished,) be far superior in its advantages to any similar undertaking yet attempted in any part of the world: and it is therefore confidently offered and recommended to the attention of the public, both in Great Britain and in the Canadas as a project combining the prospect of great success to the Stockholders, with that of the most important benefits to the public; it will tend to draw forth the latent resources of this rising colony; bring to our Ports a portion of the riches of the more fertile half of the United States; and while it must produce immense profit to the Company, it is an object honorable to those by whom it is to be accom-

plished, and a noble example of enterprise to our more wealthy and more populous sister colonics.

But in addition to pecuniary advantages to the Company, commercial advantages to the Province and honorable distinction to those under whose auspices, and by whose means this important undertaking is to be accomplished, it is a public measure connected with even higher considerations. Improvements suggest and assist each other, and tend to the nourishment and developement of that vivifying principle, which exalts one nation above another and which connects the distant branches of one parent stem to each other, by the ties of common origin, of mutual attachment and of reciprocal advantage; that principle which has enabled Great Britain to maintain the character of being at the same time the first nation in war, the first in manufactures, the first in public improvement; that principle which enabled the small and scattered population of this young Province successfully to resist the repeated inroads of their powerful invaders in *war*, and which it is hoped may in *peace* enable them to follow the great example of the mother country in the career of improvement, and like her derive wealth and power from the honorable exertion of individual enterprise.

In the progress of improvements, and amongst those *public works* which bestow wealth and power on nations and which confer permanent distinction on individuals, there are none of equal importance or celebrity with the construction of canals. The conquests of Louis XIV are forgotten or remembered only to be held up to execration, but the Canal of Languedoc remains a blessing to France and to *his* name a monument of imperishable renown. The Duke of Bridgewater's rank and wealth would not have preserved his name from oblivion; but he will always be remembered, as the man who embarked his fortune in constructing the first canal in Great Britain, regardless alike of popular prejudices, of friendly remonstrances and of prophetic threats of ruin.—And in our times and in our immediate neighborhood, it is probable that the name of Dewitt Clinton will always remain associated with the Grand Erie Canal of the State of New York, when the names and the measures of other contemporary chief magistrates of States and of Nations, will be consigned to the same forgetfulness which has already swallowed up so many of their predecessors.

The Directors of the Welland Canal Company profess not to be insensible to the honor conferred upon them, in being chosen to begin so noble a work as a Canal for Ship Navigation, round the Cataract of Niagara, and as their services are gratuitous, the honor of conducting the undertaking is their only reward. It is one of those rare measures which, though of immense magnitude, is of comparatively easy and absolutely certain accomplishment. The natural advantages of the ground, combined with the inexhaustible supply of water are such as no other Canal ever had, and such as can be found for no other Canal; and when finished on the intended scale it will be one of the grandest works ever effected by any country or by any nation. No work in Europe, or in Asia, ancient or modern, will bear a comparison with it in usefulness, to an equal extent of Territory: and it will yield only to the Canal which may hereafter unite the Pacific with the Atlantic Ocean through the Isthmus of Darien.

But each undertaking has its own peculiar advantages, and the Welland Canal will possess some advantages even over the projected Canal of Darien.—The Pacific is already accessible by navigating round the Cape of Good Hope or Cape Horn; but the interior Seas of North America, which contain more than half of the fresh water in this Planet, and the fertile and extensive shores of which are destined to be peopled by an active, an intelligent and an enterprising race—boasting their descent from England, and preserving and perpetuating her language and her institutions; these interior Seas can be approached in Ships only through the Welland Canal.

Such is the importance and such will be the splendid and immense results of the work now offered to the notice of those enterprising and enlightened capitalists who may be disposed to contribute to its completion; at the same time that they secure for themselves a participation in its advantages and a share of the liberal profits which it may reasonably and speedily be expected to produce.

N. B. In consequence of the delay which has arisen in making the proposed application for obtaining in England a certain part of the increased Capital of the Welland Canal Company, in consideration of a Petition presented by the Directors, at the opening of the present Session of the Provincial Parliament, and in order to prevent any delay in the progress of the Works now under Contract, a Bill has been introduced for granting to the Company a Loan of £25,000 or $100,000. This Bill has already been passed by the House of Assembly and it is not doubted that the measure will obtain the sanction of the other branches of the Provincial Legislature.

31*st December* 1825.

No 7.

At a numerous and respectable Meeting of the inhabitants of the townhips of Grantham, Louth and Thorold, held at the house of Mr. Paul Shipman in St. Catharines, on Saturday the 8th inst., pursuant to public notice. SAMUEL WOOD Esquire, *in the Chair* and Mr. GEORGE RYKERT, *Secretary*.

The following Resolutions were adopted.

1st. *Resolved*—That the information obtained by the Niagara Committee, their Estimates and Resolutions, were so palpably erroneous and idle, that they would not have attracted the notice of this Meeting, were it not that silence, might by some of the Stockholders at a distance, be construed to be an acquiesence in misrepresentations.

2nd. *Resolved*,—That we approve of the *Queries* submitted to, and answered by Mr. SAMUEL CLOWES, the Engineer who first levelled, laid out and estimated the Welland Canal.

3rd. *Resolved*,—That SAMUEL WOOD Esquire, Mr. NATHAN PAWLING and Mr. JOHN CLOWES, the gentlemen who composed those *queries*, be appointed a Committee to correspond with the different Stockholders and publish their communication in the different Papers, for the information of the public.

4th. *Resolved*, That the President and Directors of the Welland Canal Company are entitled to the thanks of this meeting for the obliging manner in

which they furnished us with the different plans and reports relating to the two routes.

5th. *Resolved*, That we conceive it due the public to lay the two statements of Mr. Hall before them, in his report furnished the Diroctors in July last, he states, by raising an embankment of 3 feet across the beach, an additional depth of water will be obtained in the basin, and in the direction of the towing paths, so that vessels drawing 8 feet water may at all navigable seasons proceed to the entrance of the artificial canal, and to a distance of 3 miles from Ontario.

In reply to *Query 2d*, to the Niagara Committee, he states a sufficient depth of water will be obtained in the 12 Mile Pond to admit vessels drawing from 6 to 7 feet water; in this specification and estimate handed the Directors at the same time he states:—

Guard Locks, at 3 feet rise and 5 feet deep, 50 yards cutting, as per separate calculation, including solid masonry & timber work,	£1,142	8	4
Embankments across the entrance of the 12 Mile Creek, 5,068 solid yards, at 1 shilling per yard,	293	8	0
Protecting Pier, as per particular design and estimate, to 8 feet water, 84 yards in length,	2,147	4	6

Although the sum of £2,147 4s 6d is particularly set down for a protecting pier, a plan of which, drawn by himself, we have now before us, he states in reply to *query 3rd*:—"*No protectian from the Lake winds whatever was contemplated*" in his estimate, and adds, from its similarity to Burlington outlet that a sum not exceeding £7,000 would be adequate to afford protection for vessels navigating Lake Ontario; we would add, the length of pier at Burlington is about 1,160 yards—here but 168 yards,—his estimate for that harbor was £8,000 for this £10,583, including his £7,000 for protecting pier.

6th. *Resolved*, We forbear noticing the mean and unmanly insinuations held ont by the Niagara Committee in the close of their communication, being conscious it will meet with the contempt it merits.

7th. *Resolved*, That the thanks of this meeting are due to Samuel Wood, Esq. for his able conduct in the Chair.

(Signed) SAMUEL WOOD,
Chairman.

GEORGE RYKERT,
Secretary.

The following *queries* were proposed by the gentlemen forming this Committee, to Mr. Samuel Clowes, the Engineer, who first levelled and estimated the Welland Canal by the valley of the 12 Mile Creek, and answered by him:

The same queries proposed by the Niagara Committee to Mr. HALL, *Engineer.*

First, Will you give a comparative and general view of the two proposed routes of the Welland Canal;—the one terminating in the harbor at Niagara, and the other at the mouth of the 12 Mile Creek, with a probable estimate of each?

Answer 1st. The estimate by the 12 Mile Creek route was made by me, from a minute survey of every part of the line, which occupied us nearly six months. The amount, including harbor, was £26,000 for a canal 16 feet bottom, and 8 by 72 feet Locks. The estimate from the Welland to Niagara was made by my son JAMES CLOWES—I must therefore refer you to him.

Query 2nd. What description of Harbor at the mouth of the 12 Mile Creek was contemplated in your estimate, furnished by request of the Board of Directors and what kind of vessels could be admitted into it?

Answer 2nd.—In our estimate furnished the Directors, a perfect and complete Harbor was contemplated for vessels of the draft of water therein mentioned, which were to be taken three miles into the interior.

Query 3rd. What additional expense would be necessary in erecting a Pier and Break Water at the mouth of the twelve mile Creek, sufficient to protect such Vessels as may navigate Lake Ontario?

Answer 3rd. No additional expense will be necessary, as a Pier of sufficient dimensions and extent for protection from the Lake, in entering the Harbor, was included in that Estimate, but in order to enlarge the same for Vessels drawing 12 feet water, the sum of £800 at the extent will be adequate.

Query 4th. How far was it intended in your Report to the Directors, to adhere to the channel of the Creek, and if it is advantageous to make use of a natural stream in preference to a Cut?

Answer 4th. The channel of the Beaver Dam Creek (a small stream,) is adhered to about 4 miles and the main branch of the twelve mile Creek, 7 miles. On general principles, an artifical cut is preferable to the bed of a stream, and for this reason a strong prejudice exists against making use of them for Canal operations.

This Creek is an exception to the general rule; in all my experience I never met with the bed of a stream so favourably situated for constructing a perfect and complete Canal—not a branch of it extends more than 16 or 20 miles in the country. The banks have their summit near the Creek, all the water from the adjoining lands is let off into streams on the right and left—but one small brook empties into it from the Mountain to the Pond. There is not one embankment, aqueduct, culvert or extra artificial erection necessary on the route: there is not a sufficient supply of water during the navigable part of the season to drive a pair of Mill Stones in ordinary situations, one fourth of the time. In the breaking up of Winter the water rises over the present Waste weir, from two to three feet—when they are constructed of an equal and sufficient width, the Creek cleared out and the different projections of the Bank cut off, according to our Estimates, the water can never rise 18 inches, and the navigation never be obstructed.

Query 5th. Can Mill Seats be obtained at the termination of the Canal in the Harbor of Niagara by making a suitable Reservoir?

Answer 5th. A good situation may be obtained at this point for Machinery during the Summer months, by widening the dividing Ridge at Mr. Keefer's, and all the embankments, together with enlarging the di-

mensions of the last Pond to make a suitable Reservoir.

It is apparent to every person acquainted with the effect frost produces on Embankments, Rapids, Locks &c., on artificial Canals, that it becomes necessary to draw off the water early in the season, (as on the Erie Canal,) otherwise the water would congeal to the depth of 1 or 2 feet. The current caused by affording an adequate supply for Machinery would undermine the banks, which, with the frost, would evidently cause the upper part to fall into the Canal, to such a degree as would render it expedient to keep the Machinery inactive for some months.

Query 6th. What would be the propable effect of the Ice with the artificial works which must be necessarily erected for the bed of the twelve mile Creek and its mouth, provided this route should be adopted ?

Answer 6th. There is no artificial erection necessary in the course of this stream, excepting simply Waste weirs and Locks. The latter are placed separately, and all the water is turned over the Waste weirs, leaving the Locks perfectly dry above 4 feet water, exempt from any injury and free from ice, some days earlier than on the other route.

Queries submitted by this Committee to MR. CLOWES, *with the answers thereto.*

Query 1st. Mr. Hall states in his reply to the Niagara committee, that the nature of the adjoining banks renders it inexpedient to proceed upon any level superior to the bed of this stream.

Are the banks of this stream favorably situated for constructing a canal if necessary ?

Answer 1st. The whole line from the Tunnel mouth to the Harbor is most favorably situated for constructing an artificial canal. From the Tunnel mouth to Mr. Decou's, about 3 miles, the canal can be constructed on the bank with the most favorable excavation, from thence a level may be carried down the mountain east of the Beaver Dam Falls, two miles, when there is a table land continuing on a gentle descent in a direct line to the Harbor without any extra excavation, and but one embankment, distance 6 miles.

Q. 2nd. What would be the distance saved, and additional expense incurred by adhering to this line ?

A. 2nd Six and a half miles and the additional expense would be about £4,000.

Q. 3rd. What dimensions would be most profitable for the Company to adopt in constructing this canal ?

A. 3rd. As you have enlarged the Tunnel to fifteen feet the Locks must be 15 by 90, and the bottom at least 20 feet to admit boats of the like dimensions.

Q, 4th. What would be the increased expense in making a canal of those dimensions on the two routes ?

A. 4th. As there is but trifling excavation on the route by the Twelve Mile Creek, the additional expense will be in the enlargement of the Locks and pits, say, £2000.

By Niagara considerable more, as the whole line must be excavated, but as I am not in possession of the field notes on that route I cannot speak with accuracy.

Q. 5th. What additional expense will be incurred on the Niagara route by an error of three feet eight inches on the summit level ?

A. 5th. About £2,500.

Q. 6th. State your candid opinion an an Engineer on the comparative advantages and disadvantages of the two routes ?

A. 6th. By omitting Lock No. 1, and making an embankment across a narrow strait at No. 2, a pond or reservoir is formed containing from 30 to 40 acres checking the waters to Chippawa, preventing any perceptible current through the Tunnel, and forming a most valuable situation for machinery within 3 miles of that river.

The next situation is Mr. Decou's, on the brow of the mountain, where machinery to any extent may be erected and all the surplus water pass down the natural stream without interfering with the Locks on the mountain descent.

From the lock under the mountain to the lake there is a continuation of valuable privileges at each Lock, the main channel is about one chain wide and the surplus water passes over the waste weirs alternately and is received into the lower level, the Locks being situated at the end of those waste weirs, as before mentioned, you have the perfect control of the water and can keep them free—the canal can receive no damage by retaining a competent supply for machinery during the winter season.

The Harbor will be extensive and commodious; having already offered to complete it at my own estimate, renders it unnecessary for me to say more on the subject, than that I am still ready to fulfil my proposal for it or any other part of the line.

The most prominent situation for machinery on the Niagara route, is at George Keefer's, Esq., 7½ miles from Chippawa, where it may be erected to any extent, but taking the whole into consideration a decided preference must be given to the Twelve Mile Creek route for Hydraulic purposes;—whether more transit will be acquired from Lake Ontario by Niagara, to cover the difference on the interest of the money expended, is a question any Stockholder may be as capable of determining as myself.

(Signed) SAMUEL CLOWES,
Civil Engineer.

The following is a copy of a Circular sent to the different Stockholders.

ST. CATHARINES, *January* 1825.

SIR,

A committee having been appointed by the inhabitants of Niagara for the purpose of corresponding with the Stockholders residing at a distance, with a view to prepossess them with a favorable opinion of their route.

They state as a clear and established fact by Mr. Hall's report, that the Canal will cost less by $17,000 to carry it to Niagara than to take it by the Twelve Mile Creek, and $28,000 more for a necessary Pier, making the sum $45,000. If this statement be correct we at once admit the expediency of

its terminating there; but we will shew you clearly, from the Report of Messrs. Samual and James Clowes, and Mr. N. S. Roberts, (an American Engineer) that their statement will not bear the shadow of investigation.

Mr. Hall's Estimate from the Welland to Niagara, including open cut and timbering, is				£45,365	9	3½
Deduct his estimate for open cut, which is already under contract for Tunnelling,....				14,680	0	9
Leaves this sum from Tunnel end to Niagara, ...				£30,685	8	6½
Add thereto for error in level 3 feet 8 inches not noticed by the Niagara Committee,.....	£2,500	0	0			
Add for extension of the Canal to 20 feet bottom and Locks 15 feet, which we state at one ninth,.....	3,687	5	4¾	6,187	5	4¾
				£36,872	13	11¼
Messrs. Clowes' Estimate from the River Welland to Lake Ontario, including 9 feet Tunnel and Harbor by the Twelve,.....	26,000	0	0			
Deduct for the Tunnel and open ends,.....	11,653	6	8			
	£14,346	13	4			
Add thereto for enlarging the Canal to 20 feet bottom and Locks fifteen feet wide,.....	2,300	0	0			
Do. deepening the entrance to harbor to admit vessels drawing 12 feet water if necessary,.....	800	0	0			
				17,446	13	4
Leaving a balance of				£19,426	0	7¼

in favor of the Twelve Mile Creek route, including extension of the Harbor, and in case an artificial canal should be approved of the whole way £15,414 18s 4½d, besides shortening the distance six miles.

We would remark this estimate is taken from the original report of Messrs. Clowes, and coroborated by Mr. Nathan S. Roberts, the Engineer in charge of the Erie Canal. All the alterations we have ventured to propose, is correcting an error in the summit level, made by Mr. James Clowes, and widening the Canal—which, for the Twelve Mile Creek route is estimated at £2,300. It will be observed there is but 4 miles excavation on this route, and 18 on the Niagara, which will consequently encrease the expenses in a greater proportion than we have stated.

In their circular they state a balance of $45,000 in favor of Niagara.

We state a balance of..... 77,704 in favor of Twelve Mile Creek.

Making a difference of..... $122,704 or £30,676 0s. 7¼d—it is therefore evident that either the Niagara committee or we must be in an error, or have a design to mislead the Stockholders.

We are aware that short and conclusive arguments on those subjects have the best tendency to satisfy the public :

And as Messrs. Clowes offer to take the Canal at their own estimate, and having received assurances from men every way qualified to effect it, that they will execute the work for the sum specified,—and in order to set the matter at rest we will guarantee the completion of the Canal, on this route for the sum of £17,500 Hlf. C'y., from the Tunnel end to Lake Ontario, including the Harbor, (from thence to the Welland being already under Contract). We will enter into Contract with the Directors, furnish them with competent security and complete the Harbor, (which has been represented as so difficult an undertaking,) without any advance.

This Committee are assured that the people of Niagara would gladly defeat the object altogether rather than have it terminate elsewhere, which would remove the little trade they possess and reduce the value of their property. Measures have been attempted by them to produce that effect. We disclaim any such motive, for we are sensible that the country will derive great advantages and the Stock be productive, even should they expend £20,000 more by taking it to Niagara—although it will be far more advantageous to the Stockholders and beneficial to the country on this route, for which we assign the following reasons:

It will require £19,426 less Capital by their own Estimate, and save an annual interest of £1,165, 11s.

By reference to the reasons adduced by Mr. Clowes you will perceive the great difference in the value of Hydraulic privileges which being situated 12 miles in the interior will draw so much more business to those establishments from the country on each side, and tend to the convenience of the Agricultural interest, —whereas Niagara being situated on a point cannot have recourse to an equal extent of country.

The water on this line from its being on the lowest level cannot pass to the advantage of any individual and may be used in all seasons, whereas, the Niagara route crosses several streams, and all the water that escapes goes to benefit individuals at the Company's expense.

The Harbor will be more convenient and commodious than Niagara—it will retain with greater safety any quantity of Lumber, Staves, or Timber of any description which can be shipped at once. The current and exposed situation of the Niagara River will prevent any quantity of Lumber rumaining in Rafts with equal security.

Five or six hundred Vessels can winter here without the least danger, and the Harbor be cleared from ice before any other on the Lake,—at Niagara they are exposed to the drifting of immense bodies of ice from Lake Erie, to the great danger of Vessels wintering in that port.

The Canal being situated in the interior, will not be obstructed in time of War—whereas Niagara being under the command of the American guns, the profits must cease during hostilities.

There will be no difference in the amount or quantity of commodities from Lake Ontario by either route;—but from the local advantages this possesses in Hydraulic situations, and commanding a more extensive scope of country on each side, will create a great internal transit.

The following are among the numerous reasons that can be assigned for a preference to this route for the benefit of the public and the country in general:

It has been admitted that the erection of a Harbor in any country enhances the value of all the property situated near it; and in this instance it must be of the greatest importance to the District and country and in time of War invaluable.

The argument that has always been held out by our Legislators, Commissioners &c., was, to remove the Canal as far as possible in the interior. Former experience has shewn us the value of this situation, when driven from Fort George all our supplies were brought up this Creek in Boats and kept in perfect security.

A safe and easy retreat will be afforded our Vessels three miles from the Lake,—the banks of which are well situated for defence. Towns will be built and a population increased to enable them to protect their property. The public will derive every advantage from the uninterrupted communication of the Canal, and not be subject to pay the loss of all the Buildings that may be erected as has been the case in Niagara. We must bear in mind that the greatest proportion of losses sustained in this District during the late War, was in the destruction of that Town.

Although we hope never to witness a recurrence of those scenes, it is nevertheless prudent to guard against them. We considered ourselves as safe in 1810 as we do at this day.

Besides the advantages above enumerated we must not lose sight of one of the greatest moment, viz:—Sloop Navigation. By adhering to this route we have a summit of only 3 miles from thence; by making use of the bed of this stream, very little excavation will be necessary to make the Canal contain 7 feet water. The Tunnel can hereafter be cut open at a less expense than in the first instance by carting out the earth, and a perfect navigation may be formed for Vessels between the two Lakes.

On the Niagara route the summit extends seven and a half miles over embankments, and through deep cutting—from thence, there is excavation the whole way to Niagara. Consequently the expense necessary to effect this improvement will bear no comparison between the two routes.

We submit the above reasons to your consideration, trusting you will act under the influence of plain reason and solid argument.

(Signed)

SAMUEL WOOD.
NATHAN PAWLING.
JOHN CLOWES.

Niagara, 1825.

No. 8.

LIST OF STOCKHOLDERS.

We the Subscribers hereby bind ourselves to take the number of Shares opposite to our respective names, agreeable to an Act of the Legislatnre of this Province, passed in the 4th Session of the Eighth Provincial Parliament, entitled "An Act to incorporate certain persons under the style and title of the Welland Canal Company."

NAMES.	RESIDENCE.	No. of Shares.	Amount.
			£. s. d.
David McDonald	St. Catharines,	Four	50 0 0
Henry Dodge	Do.	Four	50 0 0
David W. Camp	Grimsby,	Four	50 0 0
Isaac ⋈ Bradt his mark.	Chatham,	Four	50 0 0
David Bradt	Louth,	Four	50 0 0
Thomas Dowdle	Yarmouth,	Four	50 0 0
Jacob Hosteder	Grantham,	Four	50 0 0
Moses Goodfellow	Grantham,	One	12 10 0
Jacob Flander	Grantham,	Four	50 0 0
Timothy Wallis	Grantham,	Four	50 0 0
Walter Manley,	Grantham,	Four	50 0 0
John Nickerson,	Grantham,	Four	50 0 0
John Soper,	Grantham,	Four	50 0 0
Jacob A. Kipp,	Grantham,	Four	50 0 0
Cornelius Crumb,	Louth,	Four	50 0 0

NAMES.	RESIDENCE.	No. of Shares.	Amount. £	s	d
Thomas Glasford,	Grantham,	Four	50	0	0
John Bradt,	Louth,	Four	50	0	0
Oliver Graham,	Louth,	Four	50	0	0
Abraham Vankenger,	Grantham,	Four	50	0	0
Henry Hayner,	Grantham,	Four	50	0	0
Elijah Young,	Grantham,	Four	50	0	0
John Smith,	Louth,	Four	50	0	0
Niagara, 17th November, 1824.					
J. Breakenridge,	Niagara,	Ten	125	0	0
A. Heron,	Niagara,	Two	25	0	0
John Crooks,	Niagara,	Ten	125	0	0
Edward McBride,	Niagara,	Four	50	0	0
John Holme,	Niagara,	Eight	100	0	0
John Martindale,	Niagara,	Five	62	10	0
John Brown,	Niagara,	Two	25	0	0
Lewis Stevens,	Niagara,	Two	25	0	0
Lewis Clement,	Niagara,	Two	25	0	0
Peter T. Pauley,	Niagara,	Five	62	10	0
T. Raymond,	Niagara,	Two	25	0	0
R. M. Crysler,	Niagara,	Eight	100	0	0
W. King,	Niagara,	Two	25	0	0
Jos. Wilson,	Niagara,	Five	62	10	0
R. M. Long,	Niagara,	Ten	125	0	0
D. McDougal,	Niagara,	Ten	125	0	0
J. Stocking,	Niagara,	Two	25	0	0
Starkweather & Brown,					
Richard FitzGerrald,	Niagara,	Five	62	10	0
John J. Daly,	Niagara,	Three	37	10	0
W. D. Miller,	Niagara,	Two	25	0	0
John Tannahill,	Niagara,	Five	62	10	0
Jacob Conniff,	Niagara,	Two	25	0	0
John Ross	Niagara,	Ten	125	0	0
John Grier,	Niagara,	Five	62	10	0
Abraham Overholt,	Niagara,	Ten	125	0	0
Edward Oates,	Niagara,	Two	25	0	0
Alexander Stewart,	Niagara,	Two	25	0	0
James B. Jones,	Niagara,	Ten	125	0	0
John Claus,	Niagara,	Two	25	0	0
J. Muirhead,	Niagara,	Two	25	0	0
John Wagstaff,	Niagara,	Two	25	0	0
Robert Gray,	Niagara,	Four	50	0	0
Luke Carroll,	Niagara,	Five	62	10	0
Henry Cleland,	Niagara,	Two	25	0	0
Samuel Potts,	Niagara,	One	12	10	0
John Hammond,	Niagara,	One	12	10	0
Patrick Fagan,	Niagara,	One	12	10	0
Robert Canvine,	Niagara,	Two	25	0	0
James Wilson,	Niagara,	Two	25	0	0
Joseph Clement,	Niagara,	Two	25	0	0
John Bradley,	Grantham,	One	12	10	0
Robert Read,	Grantham,	One	12	10	0
George Young,	Grantham,	One	12	10	0
Peter Z. Rykert,	Grantham,	Four	50	0	0
Richard Wilkins,	St. Catharines,	Four	50	0	0
John Emerson,	St. Catharines,	Four	50	0	0
William Wiley,	Grantham,	Four	50	0	0
William H. Sanderson,	St. Catharines,	Three	37	10	0
I. John Clendenning,	St. Catharines,	Four	50	0	0
Walter Detrick,	St. Catharines,	Four	50	0	0
Benjamin Pickard,	Louth,	Four	50	0	0
Daniel Smith,	Louth,	Four	50	0	0
Charles Rolls,	Grantham,	Four	50	0	0
Robert Hindman,	St. Catharines,	Four	50	0	0
Henry Goodfellow,	Grantham,	Four	50	0	0

NAMES.	RESIDENCE.	No. of Shares.	Amount. £	s	d
Isaac H. Banks,	Grantham,	Four	50	0	0
Walter Clendenning,	Grantham,	Two	25	0	0
Robert Dettrick,	Grantham,	Four	50	0	0
Samuel Dolson,	Grantham,	Four	50	0	0
Jacob Wiley,	Grantham,	Four	50	0	0
James Wiley,	Grantham,	Four	50	0	0
Joseph Doan,	Louth,	Four	50	0	0
Robert Campbell,	Louth,	Four	50	0	0
Peter S. Campbell,	Louth,	Four	50	0	0
Henry Campbell,	Louth,	Four	50	0	0
Henry C. Ball,	Thorold,	Two	25	0	0
John Bebsey,	Grantham,	One	12	10	0
Jacob Stull,	Grantham,	One	12	10	0
Michael Grass,	Grantham,	One	12	10	0
Ebenezer Caners,	Grantham,	One	12	10	0
Joseph C. Cudney,	Grantham,	One	12	10	0
L. O. Ball,	Niagara,	Two	25	0	0
James Narsfetto,	Niagara,	One	12	10	0
George Ball,	Niagara,	Ten	125	0	0
Edward Stealing,	Niagara,	Two	25	0	0
Simon Keating,	Niagara,	Two	25	0	0
W. Ball,	Niagara,	Two	25	0	0
Peter M. Ball,	Niagara,	Two	25	0	0
John Samarh,	Niagara,	One	12	10	0
James Crooks, by his Attorney, T. Butler,	Flamboro' West,	Twenty	250	0	0
John Wilson,	Niagara,	Four	50	0	0
Edward Dunn,	Niagara,	One	12	10	0
William Jackes,	Niagara,	One	12	10	0
Thomas M. McNamara,	Niagara,	Two	25	0	0
John J. Lawe,	Niagara,	One	12	10	0
John Conyhell,	Niagara,	One	12	10	0
Jacob Dockstader,	Niagara,	One	12	10	0
John Nettles,	Niagara,	One	12	10	0
John H. Fleet,	Niagara,	One	12	10	0
James Ingersoll, by W. H. M.,	Oxford,	Four	50	0	0
Eleazor Wright,	St. Catharines,	Four	50	0	0
James Miner,	St. Catharines,	Four	50	0	0
Samuel Swayze,	Thorold,	Four	50	0	0
Garret Vanderburgh,	Thorold,	Three	37	10	0
Jeremiah Odley,	Thorold,	Four	50	0	0
Richard Swayze,	Thorold,	Four	50	0	0
Hall Davis,	Thorold,	Two	25	0	0
William Davis,	Thorold,	Four	50	0	0
Samuel Wightman,	Grimsby,	Four	50	0	0
Ambrose Vanalter,	Grantham,	Four	50	0	0
William Westover,	Grantham,	Four	50	0	0
George Aikert,	Grantham,	Four	50	0	0
Catharine Hainer,	St. Catharines,	Four	50	0	0
Jacob Dettrick,	St. Catharines,	Four	50	0	0
Jacob Dettrick, 2nd	St. Catharines,	Four	50	0	0
Peter Doan,	St. Catharines,	Four	50	0	0
Nicholas Patterson,	Louth,	Four	50	0	0
John Seburn,	Louth,	Four	50	0	0
William M. Bull,	Louth,	Four	50	0	0
John Goold,	Grantham,	Four	50	0	0
Adam Goold,	Grantham,	Four	50	0	0
John Hansinger, Sen'r.,	Grantham,	Four	50	0	0
Abraham Bater,	Grantham,	Four	50	0	0
James Dettrick,	Grantham,	Four	50	0	0
Peter Barton,	Grantham,	One	12	10	0
Peter McCall,	Louth,	Four	50	0	0
Cornelius ⋈ Riteman, his mark.	Louth,	Four	50	0	0
Henry Yocom,	Grantham,	Four	50	0	0

NAMES.	RESIDENCE.	No. of Shares.	Amount. £	s.	d.
his John ⋈ Hausinger, Jun'r. mark.	Grantham,	Four	50	0	0
William Smith,	Grantham,	Four	50	0	0
Alexander Montrass,	Louth,	Four	50	0	0
his Samuel ⋈ Jones, mark.	Grantham,	Four	50	0	0
his William ⋈ Dettrick, mark.	Grantham,	Four	50	0	0
his Joseph ⋈ Smith, mark.	Louth,	Four	50	0	0
Henry Ousterhout,	Louth,	Four	50	0	0
Jonas Lorraway,	Louth,	Four	50	0	0
John Hainer,	Grantham,	Four	50	0	0
John Haynes,	Grantham,	Four	50	0	0
John Gilleland,	Grantham,	Three	37	10	0
John Gibson,	Grantham,	Three	37	10	0
Alpheus Baleum,	Grantham,	Four	50	0	0
his Aaron B. ⋈ Bradt, mark	Louth,	Four	50	0	0
his George R. ⋈ Brown, mark	Louth,	Four	50	0	0
his Basnett ⋈ Dell, mark	Louth,	Four	50	0	0
John Shipman,	Thorold,	Four	50	0	0
his Jones ⋈ Lanaway, mark	Louth,	Four	50	0	0
Benjamin Doan,	Louth,	Four	50	0	0
Darius Devenport,	Grantham,	Four	50	0	0
John Bernell,	Grantham,	Four	50	0	0
William Johnson,	Grantham,	Four	50	0	0
Lewis Traver,	Grantham,	Four	50	0	0
John Johnson,	Stoney Creek,	Four	50	0	0
Ezekiel Bunker,	St. Catharines,	Four	50	0	0
Thompson McKeel,	St. Catharines,	Four	50	0	0
John Thorne,	St. Catharines,	Four	50	0	0
Nicholas Thorne	St. Catharines,	Four	50	0	0
John Wilkinson,	St. Catharines,	Three	37	0	0
Silas Vandecou,	Louth,	Four	50	0	0
Joseph S. Smith,	Grantham,	Four	50	0	0
Henry Wilkinson,	St. Catharines,	Four	50	0	0
John Rykert,	Grantham,	Four	50	0	0
K. Neach,	St. Catharines,	One	12	10	0
Lavia Cole,	Louth,	Four	50	0	0
Thomas McMahon,	St. Catharines,	Three	37	10	0
James Dunlop,	St. Catharines,	Four	50	0	0
M. A. Moore,	St. Catharines,	Four	50	0	0
J. Stewart,	St. Catharines,	Four	50	0	0
Patrick McMahon,	St. Catharines,	Four	50	0	0
John Soper,	Grantham,	Four	50	0	0
Thomas Burgar,	St. Catharines,	Four	55	0	0
Rufus Wright,	St. Catharines,	Four	50	0	0
John Vaughan,	St. Catharines,	Four	50	0	0
A. McKenny,	St. Catharinet,	Three	37	10	0
Thomas Kipp,	St. Catharines,	Four	50	0	0
Lyman Parsons,	St. Catharines,	Two	25	0	0
Stephens F. Humphrey,	St. Catharines,	Four	50	0	0
John Wright,	St. Catharines,	Three	37	10	0
Barnabas Gregory	Louth,	Three	37	10	0
John Junkin,	Grantham,	Four	50	0	0

WITHDRAWALS.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

I sincerely regret being under the necessity of acquainting you that in consequence of the provisions of the Welland Canal amendment Act, I can no longer consider myself a Stockholder therein, and do therefore take this method of requesting that you will be pleased to erase my name from amongst those who are inclined to favor the route adopted by the present Parliament.

I am, Gentlemen,
Your obedient humble Servt.
ADAM BROWN, (L. S.)

Witness,
JAMES McMILLAN,
JOHN MARTINDALE.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

Agreeable to provisions of the late Welland Canal Act, we the undersigned beg leave to inform you that we intend withdrawing the Stock subscribed by us under the Act of 1824.

RICHARD FITZGERALD, (L. S.)
WILLIAM JACKES, (L. S.)
HENRY CLELAND, (L. S.)

In presence of
JAMES LITTE,
GEORGE P. McBRIDE.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

Agreeably to the provisions of the late Welland Canal Act, I hereby notify you that I intend withdrawing the Stock subscribed by me, under the Act of 1824.

EDWARD McBRIDE, (L. S.)
Niagara, May 11th 1825.

Witness,
JOSEPH ALLEN,
GEORGE P. McBRIDE.

NIAGARA, 26th May 1825.

To the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

We the undersigned beg leave to notify you that we wish our names as Stockholders to the Welland Canal, erased from the list, as we decline taking any further interest in that undertaking. Witness our hands and seals at Niagara the day and year above mentioned.

T. BUTLER, (L. S.)
JOHN CROOKS, (L. S.)

Witness,
RALFE CLENCH Jr.
WILLIAM DOCKSTADER.

Te the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

Agreeable to the provision of the late Welland Canal Act, I beg leave to acquaint you that I intend withdrawing the Stock subscribed by me under the Canal Act of 1824, and that I would not have taken Stock under the provisions of the present Act.

I am Gentlemen, your obt. Servt.
R. M. CRYSLER.

Witness,
JOSEPH CLEMENT,
JOSEPH B. CLEMENT.
Niagara, 1st June, 1825.

To the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

Agreeable to the provisions of the late Welland Canal amendment Act I beg leave to acquaint you that I intend withdrawing the Stock subscribed by me under the Canal Act of 1824, and that I would not have taken Stock under the provisions of the present Act.

I am Gentlemen, your obt. Servt.
JOSEPH CLEMENT, (L. S.)

Witness,
EDWD. McBRIDE,
R. M. CRYSLER.
Niagara, June 1st 1825.

To the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

Agreeably to the provisions of the Welland Canal amendment Act, we the undersigned Stockholders beg leave to inform you, that it is our intention to withdraw the Stock subscribed by us under the Welland Canal Act of 1824 and declare that we would not have taken Stock under the provisions of the present Act, and we do hereby withdraw our respective Shares accordingly.

J. MUIREHEAD, (L. S.)
JOHN MARTINDALE, (L. S.)
A. HERON, (L. S.)
T. BUTLER, (L. S.)
JOHN ROSS, (L. S.)
R. M. LONG, (L. S.)
P. BALL, (by his Agent, Peter M. Ball,) L. S.
LUKE CARROLL, (L. S.)
GEORGE BULL, (L. S.)
TRUMAN RAYMOND, (L. S.)
PETER M. BALL, (L. S.)
W. D. MILLER, (L. S.)
JACOB CUNNIFF, (L. S.)
JNO. GREER, (L. S.)
EDWD. KEATING, (L. S.)
HENRY C. BALL, (L. S.)
JOHN WAGSTAFF, (L. S.)
JNO. TANNAHILL, (L. S.)
ROBT. GRAY, (L. S.)

Witness,
HORATIO N. CAMP,
JAMES McMILLAN.
Niagara, June 2nd 1825.

To the Pressident, Directors & Co. of the Welland Canal.

GENTLEMEN,

In consequence of our *wise* Legislature having defined the route of the Welland Canal I beg leave to trouble you to order that my name may be forthwith struck off the list of subscribers to that Stock.

Yours, &c.

D. McDOUGALL, (L. S.)

Witnessed by
GEORGE MACAN, (L. S.)
JOHN MARTINDALE, (L. S.)
June 3rd 1825.

TROROLD, June 8th 1825.

To the President and Directors of the Welland Canal Company.

Having taken Sthck in the Welland Canal merely for the purpose of promoting that desirable Work, which is now in a prosperous condition, I beg to take advantage of the late amendment to the Act to withdraw my name from the Books, and request that the amount £18 15s., being 10 per cent on the 10 Shares held by me, be refunded, as I should not have subscribed thereto under present circumstances.

Yours Gentlemen, very respectfully,

JOHN DE COU, (L. S.)

Witness,
ROBERT DE COU.

To the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

Agreeably to the provisions of the Welland Canal amendment Act I hereby have to acquaint you that I intend withdrawing the Stock subscribed by me under the Act of 1824, and declare I would not have taken Stock under the provisions of the present Act, and do hereby withdraw my Stock accordingly, this 10th day of June 1825. As witness my hand and seal.

WILLIAM KING, (L. S.)

In presence of
W. D. MILLER,
HORATIO N. CAMP.

NIAGARA, June 14th 1825.

To the President, Direcsors & Company of the Welland Canal.

GENTLEMEN,

Agreeably to the provisions of the Welland Canal amendment Act, I hereby have to acquaint you that I intend withdrawing the Stock subscribed by me under the Act of 1824, and declare I would not have taken Stock under the provisions of the present Act, and hereby withdraw my Stock accordingly.

JARED STOCKING, (L. S.)

Witness,
JOHN WILLSON,
RICHARD DOCKSTADER.

NIAGARA, June 14th 1825.

To the President, Directors & Co. of the Welland Caual.

GENTLEMEN,

Agreeable to the provisions of the Welland Canal amendment Act I hereby have to acquaint you that I intend withdrawing the Stock subscribed by me under the Act of 1824, and declare I would not have taken Stock under the provisions of the present Act, and do hereby withdraw my Stock accordingly.

JOHN WILLSON, (L. S.)

Witness,
JARED STOCKING,
E. JESSUP.

NIAGARA, 17th June 1825.

GENTLEMEN,

In consequence of a provision made in the Welland Canal Bill, passed the Legislature at its last meeting, I beg leave to notify you that I have withdrawn, and do hereby withdraw the Stock subscribed for by me in that undertaking.

I remain, your obt. hble. Servt.

JAMES CROOKS, (L. S.).

To the President & Directors of the W. C. Co.

Signed, sealed and delivered in presence of us,
JOHN J. LACEY,
T. BUTLER.

THOROLD, 17th June 1825.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

Having taken into serious consideration the conduct of the Welland Canal Company it is my intention to withdraw my Shares from being a Stockholder in the said Canal—Gentlemen, and likewise it is my intention to have pay for the excavation of the said Canal that goes through my ground —for the former Contract is null and void by the widening of the Canal for the mouth of the Basin, for it has cut up my ground too much—Gentlemen, with much respect, I am your most obt. Servt.

JEREMIAH ORDLEY.

NIAGARA, June 17th 1825.

To the President, Directors & Co. of the Welland Canal.

GENTEEMEN,

Agreeable to the provisions of the Welland Canal amendment Act I hereby have to acquaint you that I intend withdrawing the Stock subscribed by me under the Act of 1824, and declare I would not have taken Stock under the provisions of the present Act, and do hereby withdraw my Stock accordingly.

JOS. WILSON, (L. S.)

Witness present,
W. ADAMS,
JAS. McFARLAND.

To the President, Directors & Co. of the Welland Canal.

GENTLEMEN,

I hereby inform you that I wish to withdraw my Stock subscribed to the Welland Canal. Given under my hand and seal this 20th day of June 1825.

A. CRYSLER, (L. S.)
Witness, ℔ JAMES CRYSLER, Atty.
R. M. CRYSLER,
Jos. B. CLEMENT.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

I beg leave to inform you that it is my intention to relinquish my Shares in the Stock of the Welland Canal, and will thank you if you will be kind enough to grant a Certificate that will enable me to obtain the money I advanced.

I am Gentlemen, your obt. Servt.
GEO. RYKERT.

St. Catharines, 1st July 1825.

ST. CATHARINES, 1st July 1825.

GENTLEMEN,

I beg leave to observe that it is my intention of withdrawing my Stock in the Welland Canal, being one Share, the amount of Instalments paid thereon is $71½, which you will have the goodness to pay to the order of Mr. H. Mittleberger.

I have the honor to be,

Gentlemen,
Your obt. Servant.
K. REACH.

To the President & Directors of lhe W. C. Co.

ST. CATHARINES, July 2nd 1825.

GENTLEMEN,

I beg leave to suggest that it is my wish and intention to withdraw the number of Shares which I have taken in the Welland Canal, and likewise to receive from you the amount of Instalment paid thereon to the Company.

I am,

Gentlemen,
Yours, &c.,
E. S. ADAMS.

To the President & Directors of the W. C. Company.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

In consequence of an Act of Parliament passed last Session establishing the line for the Welland Canal depriving the Stockholders of privileges granted them by a former Act, I withdraw my subscription for Two Shares of Stock in said Company.

I am,

Gentlemen,
Yours, &c.,
J. O. BALL.

NIAGARA, *July 6th*, 1825.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

In consequence of an Act of Parliament passed last Session, establishing the line for the Welland Canal, to deprive the Stockholders of privileges granted to them by a former Act, I withdraw my subscription for one Share of Stock in said Company.

I remain,

Gentlemen,
yours &c.
JOHN COUGHELL.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

I do declare that I would not have taken Shares in the Welland Canal under the provisions of an Act passed the 13th day of last April which repeals part of, and amends an Act entitled "An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company."

Witness my hand and Seal at Niagara, this 7th day of July 1825.
J. BREAKENRIDGE, [L. S.]

Signed and Sealed in the presence of ROBERT E. BURNS.

To the President and Directors of the Welland Canal Company.

I am compelled from misfortune to relinquish my Shares in the Welland Canal Company, and take advantage of the Act to withdraw my subscription.

Yours, &c.
ELIZABETH SHIPMAN.

St. Catharines, 12th July, 1825.

List of Stockholders in the Welland Canal, relinqushed in consequence of the alteration in Route, with Amount paid in.

NO. OF SHARES	NAMES.	AMOUNT PAID IN. £	s	d	NO. OF SHARES	NAMES.	AMOUNT PAID IN. £	s	d
10	Thomas Butler,	6	5	0	2	John Wagstaff,	2	10	0
10	R. M. Crysler,				7	John Martindale,			
2	Joseph Clement,				10	R. M. Louge,			
10	John Crooks,				2	Freeman Raymond,			
5	John Willson,				5	John Grier,			
5	Joseph Willson,				3	Andrew Heron,			
2	Jared Stocking,	2	10	0	2	Peter Ball,			
10	Adam Brown,				2	Peter M. Ball,			
20	James Crooks,				2	Edward Keating,			
7	Edward McBride,				5	John Tannahill,			
2	J. C. Ball,				4	Robert Gray,			
2	John Coughill,				2	Luke Carroll,			
10	J. Breakenridge,				2	W. D. Miller,			
2	J. Muirhead,				3	Henry C. Ball,			
10	J. W. Ross,					A. Chrysler,	2	10	0
10	George Ball,					D. McDougall,			
2	Jacob Caniff,	2	10	0		Wm. King,	1	17	6

List of Stockholders in the Welland Canal, relinquished from various causes, with Amount paid in.

NO. OF SHARES	NAMES.	AMOUNT PAID IN. £	s	d	NO. OF SHARES	NAMES.	AMOUNT PAID IN. £	s	d
10	John Decou,	18	15	0	4	John Robinson,	1	5	0
4	Widow of Paul Shipman,	7	10	0	4	Junkins,	1	5	0
4	Rameth Reach,	1	17	6	4	Jeremiah Adley,	7	10	0
4	George Rykert,	5	0	0	4	E. S. Adams,	2	10	0
1	John Gibson,		12	6	4	Charles Ingersoll,	5	0	0

No. 9.

SUGGESTIONS

ON THE ENLARGEMENT OF THE WELLAND CANAL

FOR

STEAM-BOAT NAVIGATION.

It is rather surprising that such an uncommon degree of apathy should prevail among the inhabitants of this Province, respecting its internal improvement, when nature has favored us in so extraordinary a manner, and seems determined by the facilities she offers us to force us into the measure.

Was a spirit of inquiry instituted, and the Members of our Legislature take time to make themselues acquainted with embarrassments under which we labor for want of a direct water communication, a very short period would relieve us and place this Province in a most enviable situation.

The Welland Canal, which is intended to unite Lakes Erie and Ontario, has commenced under the most favorable auspices, and is now in such a state of forwardness that we may look for its completion the ensuing year. I learn the Directors of that Company have determined the dimensions of their Locks to be 100 feet in length by 22 feet in width—depth of water 7 feet 6 inches—width 34 feet bottom and 56 feet 6 inches surface, except in the Deep Cut, where one vessel must pass at a time.

Those dimensions at first view appear ample for the commerce of the country for years to come, but when we take into consideration the importance of the undertaking, and the rivalship we are creating with an active, economical, and enterprising nation, it behoves us to secure every natural advantage we can by possibility acquire—and I will endeavor to shew by the following calculation it is now within our power, by extending those locks to 32 feet in width to admit Steam Boat navigation between those lakes to effectually secure all the transit and travel between Lake Erie and the ocean, and vice versa, by way of New York, where by means of the Erie Canal the only possibility of rivalship can exist.

For instance we will draw a comparison of the distance, expense of transit, and time, between Syracuse on the Erie Canal and Cleveland to Lake Erie. We mention this place from its being the termination of the Ohio Canal, and which must have a direct connexion with the Welland.

The distance from Syracuse to Buffalo by the Erie Canal is 200 miles, the price of transit on which is Nine Dollars per ton, requires four days to accomplish the route by their fastest day and night freight boats.

From Buffalo to Cleveland 150 miles, one to one and a half days—$1 25cts. per ton.

	$ cts.		£	s	d
The distance from Syracuse to Oswego is 32 miles, which at the same rate of toll as on the Erie Canal—4½cts. pr. ton per mile, is - - - - - - - -	1 44	or	0	7	2
From Oswego to Welland Canal Harbor 120 miles (steam navigation.) - - - - - - -	1 00	or	0	5	0
From W. C. Harbor to Grand River on Lake Erie, 43 miles @ 4½cts. per ton per mile -	1 93½	or	0	9	8
From Grand River to Cleveland 110 miles - - - - - - -	1 00	or	0	5	0
			£1	6	10

The distance between those places, via Buffalo, is 350 miles—by Grand River, 303 miles—total expense on the former per ton £2 11s. 3d., on the latter £1 6s. 10d.,—time required by former at least five days, by the latter, two to two and a half days, allowing the Steam Boat only six miles the hour; at the same time we are aware all the new Steam Boats on the coasts of Great Britain and on the Hudson River in New York, are of sufficient power to perform 10 miles the hour.

Steam is generally admitted to be the cheapest application of power for propelling boats when expedition is combined. However we will quote one fact in corroboration of our statement—a ton of merchandise is now transported from Quebec to Montreal, 180 miles, for 6s. 3d., and down for 5s.—average 5s. 7½d. per ton—admitting we could carry on equal terms, it would reduce our calculation to £1 4s., per ton.

Those advantages in distance, time, and expense, are in addition to many other the Welland Canal possesses, by means of the Harbor at Grand River, which having been so frequently stated are well understood. However there is another prominent feature in this canal not generally known. There is but *six miles and thirty three chains* entire excavation from the River Welland to Lake Ontario by placing a guard lock on the Welland and raising an embankment at the end of the summit level and on each succeeding lock—two feet additional water can be added to the Canal throughout, making a depth of nine feet six inches at an additional expense not exceeding £10,000.

For the correctness of these statements, any gentleman may satisfy himself by examining the profiles and plans now before the Legislature, and if they prove correct we are satisfied every statesman or friend to his country, instead of cramping and endeavoring to crush the undertaking in its infancy, will render the Company every countenance and support to induce them to make an alteration fraught with such incalculable advantages to the Canadas.

Few members of the Legislature have had an opportunity by a personal observation of knowing what progress has already been made in the work, and whether it has been conducted with that energy and good management such operations require.—An appeal may be made, however, to those who have witnessed it. The law was passed the 13th April—operations matured and the Stock procured from New York and Lower Canada by the 13th March—six weeks due notice given, and the most formidable part of the work which required the longest time to execute, being deep cut and harbor, was placed under contract on the 1st July—every preparatory arrangement made by the contractors, and the work commenced with a favorable force the first of September—and from what has been done there is no question the whole may be finished the ensuing year.

The remainder of the Canal between those intermediate situations is likewise placed under contract, providing the Legislature thinks proper to sanction a deviation in the route. This measure was indispensable with the Directors in order to finish the canal the ensuing year, as all the timber for the locks require to be felled and brought to the spot the present winter, or a delay must arise of another year. It must be apparent to every observer if the above alteration is now made in those locks—as it can never be done hereafter at any moderate expense—a canal on a commensurate scale will undoubtedly be made between Prescott and Montreal, and enable those on and above Lake Erie to avail themselves of that profitable branch of trade—ship building, which now proves so successful in Quebec.

A Friend to Internal Improvement.

York, *November 23rd*, 1825.

No. 10.

New York, *May 17th*, 182[illegible]

The Hon. J. N. Dunn,
President of the W. C. Company.

Sir,

You were informed when here, that Mr. Geddes, a highly respectable and experienced Engineer, had been written to with a request that he would undertake to make a survey across the isthmus of Niagara to ascertain the shortest and most eligible route for a canal to connect the Lakes Erie and Ontario. He has accepted the proposition, and was to leave his place of residence on the 15th instant.

Mr. Yates, who is acquainted with Mr. Geddes, at the request of the Stockholders wrote him a letter stating the object of his mission, which he of course would submit to you. It is expected that on his arrival there would be no delay in commencing his surveys.

As you suggested that any observations that the Stockholders here might make on the subject of the Canal would be favorably received, they respectfully submit the following to the consideration of the President and Directors thereof.

As there has been such diversity of opinion regarding the route of the Canal, particularly in that part of it from the east side of the ridge to Lake Ontario—that they suggest the propriety of directing the Engineer to find the *shortest* and most *eligible*

route from or near that point where the Niagara and Twelve Mile Creek branches separate, according to the surveys exhibited, to the basin of the Twelve Mile Creek, or where a safe port for vessels which navigate the lake can be constructed, as it is understood that none now exists. That a straight course as near as may be, taking into estimation the comparative expense of each, ought to be taken in preference to any circuitous one, and that no water privileges ought to induce the adoption of a longer route:—they believe that the water could be applied with equal advantage for mills on the short route as on the circuitous one, and the saving of five miles in distance in forty miles is of great importance, admitting that both routes cost the same sum to complete them, being one-eighth saved in the transportation.

In making these remarks on the route they however by no means think lightly of the water privileges, on the contrary they think them very important, and are desirous that the cut across the ridge should be made deep and wide enough *now* to supply a sufficiency of water for the purpose both of navigation and mill seats for many years to come. The Engineer will first make his calculation how much water will be required for navigation—second, how much of the same water can be made use of for mills—and thirdly what will be the additional quantity required.

It is not understood that any difference of opinion exists as regards the route from the Grand to the Chippawa rivers—it has been suggested that there is a sand bar at the mouth of the Grand River which presents some difficulties—this the Engineer will of course examine. They wish him also particularly to examine the Chippawa river from Wainfleet marsh to the mouth of the ridge canal, to ascertain whether it will be better to make use of the river or to have a canal cut alongside.

That the locks ought to be of wood, and that a good strong wooden lock will remain in good order with as little or less expensive repairs than a stone lock, will last from ten to twenty years and be built at one-tenth the expense, that is for the corresponding parts built of stone or wood. The simple interest therefore of the cost of the stone lock would annually, if requisite, renew every perishable part of a wood lock. To construct stone locks therefore on this canal would be uselessly wasting the money of the Stockholders. There is another important reason for making locks of wood—that is, the depth and size which ultimately may be required for the locks —to make them therefore at this time of the most expensive materials would be improvident.

On this subject no decision need be had instantly. The route must depend upon the survey and estimates made by the Engineer, and until his report be made nothing can be done, and the advantage of wood locks is so certain, that they think when the question is presented to the Board there will be but one opinion about it. Mr. Merritt returns this way from Canada, when the Stockholders will confer with him on every thing relative to the canal.

I am, with much respect,

Your most obed't servant,

THOMAS PROCTOR, *Agent.*

NEW YORK, *May 17th*, 1825.

GEORGE KEEFER, ESQ.

SIR,

As Mr. Dunn, President of the Welland Canal Company, may be absent in York, I beg leave to enclose a letter for him which I have left unsealed, as it is addressed to him as President of the Company, and is intended to convey to him and the Board of Directors the views of the Stockholders in this city relative to the Canal—Mr. Geddes the Engineer, I expect, will have arrived and commenced his operations—we are desirous *that no time* should be lost in getting the work executed.

I am, very respectfully,

Your most obed't servant,

THOMAS PROCTOR, *Agent.*

IN THE YEAR 1826.

On 30th January an Act was passed authorising the Company to alter the route—*(see Act hereto appended marked No* 1.*)* An Act was also passed loaning the Company £25,000 until the Stock was taken up in England, of which they had every expectation. On this occasion they expressed great confidence that no further sum could be required, which was caused from the confidence in the estimates of Engineers—and the ability of those who expected to obtain Stock to perform it—in which however they were sadly disappointed. The work was continued with energy through the Season, and at the close of it, the Contractors, Messrs. Hovey and Ward discovered that they could not complete their Contracts for deep Cut —at the Contract price, 25 cents—and give it up.—For particulars and details reference is made to the minutes of this year, *(hereto appended marked No.* 2.*)* For general reference respecting the work of Directors, see Report of 1826 *(hereto appended, marked No.* 3,*)* and also to Mr. Thomas' Report for May, June and August—*annexed hereto, and respectively marked No.* 4, *No.* 5, *and No.* 6*)*. This year the Arbitration took place—the submission, proceedings and awards are likewise hereto appended, *(see proceedings of Arbitrators marked No.* 7, *and awards of Arbitrators, marked No.* 8*)*—by which it appears that a number of Evidences were produced from the immediate neighbourhood of the Canal—which affords reasonable inference that they would have brought forward whatever may have been seen amiss. Individuals were not backward in making allegations—Mr. Clowes' letter, Mr. Gordon's and others, appeared in print during this year making accusations which the annexed letters from Saml. Clowes and James Clowes will place in a proper view, *(see letter of Saml. Clowes marked No.* 9, *and of James Clowes marked No.* 10, *hereto appended)*, and would never have appeared except for the renewal of similar proceedings by the Director of 1835. After this period the most violent local opposition ceased, and the Work went on with comparative tranquility.

The Directors of this year were—

The Honorable John H. Dunn, the Hon. William Allan, John B. Robinson, H. J. Boulton, John Clark, George Keefer and Wm. H. Merritt, Esquires.

Documents referred to in the foregoing Remarks.

Act of Parliament, 7th Geo. 4th.—
ch. 19. passed 30th Jany. 1826,..Marked No. 1.
Minutes of the Board of Directors
for the year 1826,..... " No. 2.
Report of the Board of Directors for
the year 1826,..... " No. 3.
Mr. Thomas' Report for May,..... " No. 4.
Mr. Thomas' Do. for June,..... " No. 5.
Mr. Thomas' Do. for August,.... " No. 6.
Proceedings of Arbitrators,..... " No. 7.
Awards of Arbitrators,..... " No. 8.
Samuel Clowes' Letter,..... " No. 9.
James Clowes' Letter,..... " No. 10.
Extract respecting Routes,..... " No. 11.
Circular of a Shareholder,..... " No. 12.

No. 1.

An Act to repeal part of and to explain and amend the several acts of this province relating to the Welland Canal Company.

[Passed January 30th, 1826.]

WHEREAS it is expedient to explain, alter and amend an Act passed in the fourth year of His Majesty's reign, entitled, "An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company," and also a certain other act passed in the sixth year of His Majesty's reign, entitled, "An Act to repeal part of and extend the provisions of an act passed in the fourth year of His present Majesty's reign, entitled, 'An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company;'" and whereas it has been found that to descend the mountain by the route prescribed by the seventh section of the above recited statute passed in the fifth year of His Majesty's reign, would be attended with great difficulty and expense, and that a new route has been surveyed and reported upon which will diminish the distance and expense and afford a more easy and practicable descent; and whereas the President and Directors of the Welland Canal Company have by petition prayed that the legislature would sanction a deviation as hereinafter mentioned from the route prescribed by the act last mentioned, and it is expedient to authorise the same.—Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an act passed in the parliament of Great Britain, entitled, "An Act to repeal certain parts of an act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec in North America,' and to make further provision for the government of the said province," and by the authority of the same, That so much of the seventh clause of the last above mentioned act as relates to the route along which that part of the said canal which is to connect the River Welland with Lake Ontario shall be conducted, shall be and the same is hereby repealed; and that the route along which that part of the said canal shall be conducted shall be as follows—that is to say: by Sharer's ravine and Dick's creek to the valley of the Twelve Mile Creek, as the said route has been surveyed and reported upon by Mr. Clowes and Mr. Roberts, Engineers, or as nearly thereto as circumstances will permit, and that from the said Twelve Mile Creek to Lake Ontario the same route shall be pursued as has been prescribed by the act last mentioned, or as near thereto as circumstances will permit.

2. *And whereas*, by the second clause of the said act passed in the fourth year of His Majesty's reign it is provided that nothing therein contained shall extend to compel the owner or owners of any mill seat to sell, convey, or otherwise depart with the same to the said Company, and it being intended that the said proviso should only apply to such good mill seats as actually existed before the making of the said canal.—*Be it therefore enacted by the authority aforesaid*, That the said recited proviso shall not extend or be construed to extend to any mill seat or mill seats not existing before the making of the said canal.

3. *And be it further enacted by the authority aforesaid*, That the value of any mill seat or tract of land which the said Company will be authorised to purchase for the purposes of machinery shall be ascertained, in case of disagreement, by arbitrators, in the same manner as the value of the land is to be assessed through which the said canal shall pass; and that the said arbitrators shall be also empowered to decide whether the mill seat or site or other machinery desired by the Company is such as the person owning the same can be compelled to part with to the said Company.

4. *And whereas* it is desirable that the arbitrators to be appointed under the seventh clause of the said act passed in the fourth year of His Majesty's reign, should be empowered to consider the advantages as well as disadvantages of the said canal as respects the lands of any person or persons through which the same may pass; *Be it therefore enacted by the authority aforesaid*, That the said arbitrators so to be appointed as aforesaid shall and may, and they are hereby authorised and required in assessing the value of any lands or tenements of any person or persons proposed to be purchased by the said Company, or the amount of damages to be paid by the said Company to any person or persons under the provisions of the said seventh clause, to take into their consideration the advantages likely to accrue as well as the injury or damage occasioned to lands or tenements by reason of the said canal: *Provided always nevertheless*, that it shall not be in the power of such arbitrators to award that any such sum shall be paid by any person or persons to the said Company on account of any such advantages as aforesaid.

5. *And be it further enacted by the authority aforesaid*, That all matters of disagreement or dispute to be settled or determined by arbitration under the provisions of the said seventh clause of the said act passed in the fourth year of His Majesty's reign shall be referred to arbitrators, as therein provided, so that the award or awards of such arbitrators may be made, published, and declared on or before the first day of September next, and that all and every sum of money by such award or awards directed to be paid by the said Company shall be paid to the party or parties entitled to receive the same on or before the first day of October next.

6. *And be it further enacted by the authority aforesaid,* That whenever the Canal to be made by the said Company, in any part of its course from the Grand River to Lake Ontario shall have the effect of depriving any person possessing lands adjacent thereto, of any privilege or convenience of water for ordinary purposes, which he had before enjoyed, it shall be incumbent upon the said Company to allow to the person or persons then and at all times thereafter possessing the said lands, free and convenient access for persons and cattle, to the waters of the said canal.

7. *And whereas,* in consequence of the enlargement of the said canal in order to adapt it to schooner navigation, it is expedient to repeal the eleventh clause of the said act passed in the fourth year of His Majestys reign, and to make further provision in respect thereof—*Be it therefore enacted by the authority aforesaid,* That the said clause shall be and the same is hereby repealed; and it shall be lawful for any person possessing lands through which the said canal shall pass, and upon which there shall now be buildings, improvements or fields, which the said canal shall divide, to erect a bridge at his own expense to connect the same: *Provided always,* That such bridge shall not present greater obstacles to the navigation of the said canal than the bridges erected thereon by the said Company.

No. 2.

At a Meeting of the Directors held at York on Wednesday, February 1st, 1826.

PRESENT:

The Hon. John H. Dunn, *President,*
William Allan, *Vice-President,*
George Keefer,
William H. Merritt.

The minutes of the former meeting were read and confirmed.

Mr. Clowes, the Company's Engineer, then presented himself to the Board for the purpose of making certain representations respecting the prices at which the contracts were given to Messrs. Smith, Ward & Co., and stating other matters relating to the general business of the Canal, tending to implicate the Company's agent, which were as follows, viz:

1st. That offers were made to perform the work at a lower rate than that given to Smith, Ward & Co.

When, upon referring to the various unaccepted proposals, it was satisfactorily proved to the Board that no other persons capable of undertaking and performing the work had made any offer on lower terms—that one other was made by Chapman & Co., but sufficient security could not be obtained for its fulfilment and they subsequently relinquished it.

2nd. That the work was conducted in an improper and unfinished manner.

Whereupon the president stated that he would go to the canal for the purpose of ascertaining how far the work was in an improper state or not, but it was the opinion of the board that at this time of the year it was hardly possible to form any very correct judgment.

3rd. That the contracts are re-let to other contractors, who are not sufficiently paid.

In reference to this the Board were unanimously of opinion that they did not wish to interfere in any arrangements that Messrs. Smith, Ward & Co. might make with other persons, all they desired and would require of the present Contractors was the punctual fulfilment of their Contract.

4th. He had reason to think that Mr. Merritt was a party interested with them in their Contracts.

This Mr. Merritt plainly and positively denied, at the same time desiring any investigation the Board might think proper, and stating that Messrs. Ward and Hovey would appear before the Board tomorrow on business, when they might be questioned on the subject.

The Board then adjourned until tomorrow morning at 10 o'clock.

JOHN H. DUNN,
President.

THURSDAY, *Feb. 2nd* 1826.

The Board being met pursuant to adjournment,

PRESENT:

The Hon. John H. Dunn, *Prvssdent.*
William Allan, *Vice President.*
George Keefer, and
William H. Merritt, Esquires.

Upon the representation of the Board it was *Ordered,* That the dimensions of the Deep Cut be 15 feet at bottom.

Resolved, That not any more money be paid to Fenlon & Smith until a full estimate is given in of the whole of the work performed by them, nor any further sum expended on the Harbor until a specific Contract is made for its completion on the scale of its increased dimensions.

The Letter of Mr. Roberts declining an engagement with the Company on account of his present and numerous other undertakings was read. Whereupon it was *Resolved,* That Mr. Merritt write to Mr. Proctor desiring him to engage a suitable person at New York on the best terms he can, at the same time consulting the opinion of the Stockholders there, especially Mr. Yates.

It was agreed that Mr. Marshall Lewis shall erect a turn Bridge by way of experiment, and that the same be paid for at the Engineer's valuation if approvsd of.

Ordered, That public notice be given of the ensuing election for Directors, agreeable to the Act of Incorporation.

Resolved, That not any part of the Loan for £25,000 advanced by the Government be applied until 25 per cent is paid by all the present Stockholders, and that the balance now remaining in the Agent's hands be drawn for.

It was determined that it is not necessary to enforce any right at present which the Company may have by Law, to appropriate 2 chains of Land on the line of the Canal, and that should it be hereafter necessary for the interests of the Company it will be best to consider it then.

Messrs. Ward and Hovey being present, the President informed them that it had been stated to the Board that Mr. Merritt was thought to be interested in their Contracts with the Company, and that it was the particular desire of the Directors to know if that was the case.

To which they replied by denying that Mr. Merritt had any direct or indirect participation in their engagement in any way whatever, and the Board were decidedly convinced that Mr. Clowes' surmises in this respect are utterly without foundation.

JOHN H. DUNN,
President.

FRIDAY, *February 3rd*, 1826.

The Board being met again pursuant to adjournment.

PRESENT:

The Hon. John H. Dunn, *President*,
William Allan, *Vice-President*,
George Keefer, Esquire, and
William. H. Merritt, Esquire.

Ordered—That Mr. Rykert be desired by our agent to commence as soon as possible a survey of the land to be appropriated for the use of the canal, and to make out a description for each lot or parcel of land on the following principles.

To commence at Lake Ontario at each side of the harbor and reserve one acre for machinery at each end of the embankment, which must include one chain above it and run out a suitable distance for erections, likewise take in the beach between those reservations for the purposes of storehouses, &c. &o. &c. Then take half a chain on each side of the canal above high water mark throughout, reserving one acre as above at each end of the waste weirs at each lock, and from Jacob Ball's land on the mountain ascent near Mr. Hoard's, appropriate three chains at least on the upper side of the Canal and one below. (All this to be clearly understood to be over and above the land required for the canal on the width of the surface of the water, and at the River Welland from two to four chains in width and about ten chains in length on the canal for store houses and other necessary erections.)

And as the Board of Directors are desirous to afford every accommodation to all and every inhabitant on the line of the Canal consistent with the interests of the Company. The Engineer or surveyor will take in whatever small parcels of land may be separated from any individual's property by means of the Canal if particularly requested so to do by the owner thereof.

And in case any alteration on further examination from the peculiar formation of the land at any point should appear necessary or expedient to the Agent, Engineer, or Surveyor, the same will be noted and reported to the board.

In consequence of a representation of our Agent that the work at the harbour is not proceeding properly, or to the advantage of the Company, owing to the disagreement of the present Contractors, Messrs. Fenlon & Smith, It was *Ordered* That they be paid up on the Engineer's estimate, and the harbor be let to Messrs. Smith, Ward & Hovey, at their proposals.

Ordered, That two locks on the lower five mile level be of equal width with the harbor.

Ordered, That Smith, Ward & Co. be paid eighteen cents per yard for the first lift on the deep cut and throughout in proportion, that price being considered by the Board a fair proportion for their contract, and that the Engineer be notified by our Agent to that effect.

Ordered, That Messrs. Smith, Ward & Co., be paid the sum of £2,183. 2s. 3d., being 18 cents per yard on the Engineer's Estimate; and that a draft for £2,700 be given them on our Agent in N. York, that being the supposed balance on 25 per cent, called in at that place; and that Messrs. Smith, Ward & Co., pay into the Bank of Upper Canada the sum of £489 17s. 9d., to the credit of this Company, being the difference between the above sums, allowing them two months interest in said draft, viz: £27, the draft being at 90 days' sight, instead of 30, as formerly.

JOHN H. DUNN,
President.

ANNUAL ELECTION.

April 3, 1826.

At a meeting held this day at St. Catharines, of the Stockholders of the Welland Canal Company, for the election of Directors—

The Hon. JOHN H. DUNN, *being called to the chair.*

On motion of Mr. Merritt, seconded by Mr. Keefer, it was *Resolved*, That Messrs. James Gordon & Josph Wenham be appointed scrutineers for receiving the votes, and that the election be kept open from 11 until 2 o'clock.

At two o'clock the election being closed, the scrutineers proceeded to an examination of the votes, and reported the following persons duly elected, viz:—

The Hon. John Henry Dunn,
The Hon. William Allan,
John B. Robinson, Esquire,
Henry J. Boulton, Esquire,
John Clark, Esquire,
George Keefer, Esquire,
William H. Merritt, Esquire,

At a subsequent meeting of the Directors,

PRESENT:

The Hon. John H. Dunn,
George Keefer, Esq.
John Clark, Esq., and
W. H. Merritt, Esq.

Upon the motion of Mr. Keefer, seconded by Mr. Merritt, the Hon. John H. Dunn was re-elected President, and the Hon. Wm. Allan, Vice-President for the ensuing year.

The minutes of the last meeting were then read and confirmed.

The President then informed the Board that since their last meeting the Company's Agent had been to New York, by his desire, for the purpose of ascertaining the feelings and intention of the Stockholders there on the subject of the payment of their future instalments; because he deemed it highly necessary before any part of the Government Loan was used to receive an assurance from them of their readiness under all and every circumstance, promptly to meet them in such a manner as might be required in payment of the contracts already entered into; and that Mr. Merritt being returned would now give the result of his mission.

Mr. Merritt then stated, that according to the President's instructions he had seen and consulted the Stockholders at New York on the subject mentioned, and had received from them every possible assurance of the prompt payment of all their instalments as they became due; that they would be prepared to meet them at the rate of 8 per cent per month—and do this although the stock reserved for the London market should not be taken up; requesting that drafts drawn on account of those instalments might be at 90 days sight, at the same time expressing their wish that the work might be prosecuted with all the vigour which means would allow, and especially recommending for the consideration of the Directors the propriety of employing an Engineer of sufficient talent and responsibility to superintend the work.

The Board concurring in the above recommendation as well as being themselves convinced of the necessity of placing the duties of Engineer in the hands of those who may be relied upon for their performance.

It was *Resolved*, That Mr. Thomas, a gentleman concerning whose talents and respectability the Agent had made suitable inquiry, and that enquiry being of a very satisfactory nature, be engaged at a Salary of £375 per annum to superintend the whole work of the Canal, and that Mr. Barrett, concerning whom the same testimonials had been received, be employed as Resident Engineer, at a Salary of £450 per annum, including his expenses, with an allowance of £125 per annum for an Assistant; thus placing the whole of the duties of this Department upon the best possible footing in order to promote and secure the success of the undertaking.

It was then *Resolved*, That the Agent inform Mr. Clowes of the preceding arrangements, and that in consequence of them his engagement, terminating on the 20th instant, willl not be renewed, at the same time requesting that he would deliver into the hands of Mr. Merritt, all plans and papers relating to the Canal, and furnish all that may have been necessary for the completion of the work, particularly a statement of the dimensions of the Deep Cut, plan and specification for each Waste weir, the number of cubic feet of water passing over each, the rate of current per mile which will be created in the Deep Cut, and throughout the whole Canal, the height that the Locks were intended to be raised above the water level, with a view to 9 feet 6 inches water, with any other information which he may be in possession of, necessary for the work of the Canal.

Mr. Merritt stated that Mr. Rykert had requested him to make an offer of his services to the Company as Engineer, at a Salary of £250 per annum, which the Board declined.

Resolved, That immediate application be made for the Loan of £25,000 advanced by the Government, and that the President apply the same from time to time as may be necessary.

A Letter from Mr. Proctor, the Agent at New York being read, requesting the Company to advance him the snm of £1250 upon the security of 500 Shares of Canal Stock.

It was *Ordered*, That Mr. Proctor be informed that the Board are unable to comply with his request, as they consider it would be perfectly inconsistent with the objects and intention for which the Company was incorporated.

Resolved—That Mr. Wenham be employed as Secretary at a salary of £100 per annum.

JOHN H. DUNN,
President.

At a Meeting of the Directors held at St. Catharines, on Thursday May 4th, 1826.

PRESENT:

The Hon. John H. Dunn, *President*,
William Allan, *Vice-President*,
John B. Robinson,
John Clark,
William H. Merritt, and
George Keefer, Esquires.

The minutes of the former meeting were read and confirmed.

Mr. Merritt informed the Board that he had been requested by Mr. Rykert to make an application that he might be employed by the Company.

Upon which it was *resolved*—That Mr. Rykert be offered an engagement at the rate of £15 per month until Mr. Barrett the resident Engineer comes in, when it shall be left to Mr. Barrett's choice either to continue Mr. Rykert or employ any other person he may select at the same rate, and as it appears from the Agent's account that Mr. Thomas the superintending Engineer may require some immediate assistance,—it is agreed that should Mr. Rykert decline the above offer Mr. Thomas shall be authorised to procure whatever help he may find necessary until next meeting of the Board.

A letter from Major Hillier, Secretary to His Excellency the Lieutenant Governor, being read, requesting to know from the Board whether Mr. Clowes, lately employed as Engineer on the line of the Canal was in their opinion competent to undertake the Survey of the River St. Lawrence with a view to its improvement by canal or otherwise.

It was *Resolved*, That the Company employed Mr. Clowes on laying out the Line of the Canal and making an Estimate of the expense—that not feeling

it proper to rest solely upon his judgement and accuracy they employed other Engineers reported to them to be men of considerable eminence in Works of that description, and they found the correctness of Mr Clowes' proceeding in general verified by such subsequent Surveys—that the Directors were induced to discontinue their employment of Mr. Clowes from an opinion that he was not suffisiently active to superintend the execution in detail.

That the Survey alluded to in Major Hillier's Letter appearing to be one of a very important nature, and probably requiring different qualifications, the Directors will not venture to assert that Mr. Clowes is perfectly competent to discharge the duty in such a manner and in all respects as the Government may require.

Ordered, That the foregoing Resolutions be communicated to Major Hillier in reply.

Resolved, That all Drafts which may in future be drawn on the Agents for moneys, received on account of the Company, shall be at 30 days sight, and the Commission allowed on the moneys collected at Quebec aud Montreal be 1½ per cent.

JOHN H. DUNN,
President.

At a meeting of the Directors held at York on Thursday, June 8th, 1826.

PRESENT :

The Hon. John H. Dunn, *President*,
The Hon. Wm. Allan, *Vice-President*,
John B. Robinson, and
Wm. H. Merritt, Esquires.

The minutes of the former meeting were read and confirmed.

A letter from Messrs. Yates & M'Intyre, dated 19th May, being read, expressing their dissatisfaction with many of the proceedings of the Company, it was *Resolved*,

1st. That the Board have on all important occations consulted the wishes of the Stockholders at New York, more especially in regard to the plans and operations of the present year, and have hitherto received from them every assurance of approbation.

2d. That as that part of their letter which refers to the inconvenience sustained in consequence of having to furnish so large a sum of money to make good Mr. Proctor's defalcation, appears to be written under a wrong impression of the terms on which the advance was made; they be informed that the Company always considered themselves responsible for the amount thus paid, and that it would be acknowledged as payments on account of future instalments.

3d. That the thanks of the Directors are due to them for the handsome manner in which they came forward for the honor and credit of the Company.

4th. That as there is not any certain prospect of Mr. Proctor's making good his payments, the Board feel it necessary on behalf of the Company to compel the payments, whatever may be the consequences, unless the Stockholders at whose instance he was appointed, are willing to assume the whole responsibility on his behalf, and that as Messrs. Yates & M'Intyre are acquainted with all the circumstances, they be requested to have immediate communication with Mr. Proctor, and adopt legal measures for the recovery of the amount now due.

5th. That it is necessary for the satisfaction of the Board as well as the general success of the undertaking, that the sentiments expressed in this letter should not be allowed to remain, and that a letter be therefore written, giving a full statement of the above particulars, the Directors feeling assured that such explanation will effectually remove them.

The Board then taking into their consideratton the situation of Mr. Proctor's affairs, and the future inconvenience likely to arise from such a line of conduct, feel it necessary to discontinue his agency.

It is, therefore, *Resolved*, That Mr. Proctor be thus informed and directed neither to receive any monies or give any receipts for the future in the name of the Welland Canal Company, and that Messrs. Yates & M'Intyre be requested to become the Agents at New York, and state, for the information of the Directors on what terms they will transact the general business of the Company.

Mr. Merritt stated that Messrs. Thomas & Barrett recommended an alteration in the present line of the Canal at Hall Davis', the expense of which they estimated at £375.

When it was *Ordered*, That Mr. Thomas give in a report of the proposed alteration in writing, stating his reasons for it, and if the expense will not exceed that sum it may be done on his recommendation and responsibility.

They also suggested that it would be an improvement if the canal were carried forward at Shaver's in a direct line instead of making a curve.

Upon which it was agreed that the advrntages and expediency of this alteration shall be left for them to decide upon and adopt if they see proper.

Mr. Merritt then said that he was requested by the contractors to state that it would afford them great accommodation if the amount of duties payable on grain and implements brought from the United States could be allowed to stand over, which might perhaps be obtained if the Company would assume a responsibility on their behalf for the future payment.

When it was *Resolved*, That the Directors are willing to afford them this accommodation, and upon the agent drawing up a statement of what they desire, an application be made to His Excellency praying the proposed indulgence.

Read a letter from Mr. Wood complaining of the injury he will sustain in consequence of the canal passing through his land.

Upon which it was *Resolved*, That Mr. Wood be informed that when he names the price he is willing to take as a compensation the Board will consider and reply to it.

Read a letter from Mr. Adams desiring compensation for loss sustained by the construction of the canal, and offering his mill, machinery, &c. for £1,250.

When it was *Resolved*, That Mr. Adams' be informed that the Directors have received his letter, but do not feel they can accede to the sum he has named before submitting it to arbitration.

The Board taking into their consideratian that many applications of this sort are likely to be made, *Resolve*, that the agent be directed to obtain from all persons possessing property along the line of the canal a statement in writing of the compensation either for property or damages which they would be willing to accept, and that having made enquiry and informed himself as satisfactorily as possible on the subject he shall submit the same without delay to the Board, with his remarks upon the several claims, when they will take the necessary measures thereon.

Resolved, That an instalment of 8 per cent be called for, payable on the 20th July, and that the several agents of the Company be written to directing them to adopt the usual means for its collection.

JOHN H. DUNN,
President.

FRIDAY, *Jnne* 9.

The Board having met pursuant to adjournment.

PRESSNT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President*, &
William H. Merritt, Esquire.

The draft of a letter to Messrs. Yates and McIntyre, agreeably to the resolutions ef yesterday, was read and approved.

The Engineer having in his estimate recommended the advance of £50 to Messrs. Pearse & Co., *Resolved*, That the sum be granted accordingly.

Resolxed, That the President do apply for the remainder of the Government loan in payment of certain disbursements.

Resolved, That the sum of £100 be advanced to the agent for three months on account of incidental expenses to which he is liable.

Resolved, That Mr. Rykert be employed until the next Meeting at a Salary of £15 per month.

JOHN H. DUNN,
President.

At a Meeting of the Directors held at York on THURSDAY, *June* 22 1826.

PRESENT.

The Hon. John H. Dunn, *President.*
William Allan, *Vice President.*
John B. Robinson,
John Clark,
George Keefer, and
William H. Merritt, Esquires.

The Board having met and Mr. Yates of New York being present, stated that as he was deeply interested in the success of the Canal he requested permission to prepare some measures for the consideration of the Directors which he thought would at once raise the character of the Stock now unsold, and provide means for carrying on the Work until it was disposed of.

Which were the following, viz:—

1st. That some steps should be taken either for the immediate disposal of the Stock reserved for the London Market or the recall of the powers vested in Mr. McGillivray for that purpose in order that it might be offered here.

2d. That in the mean time the Board should authorize him to raise a Loan of Twenty five or Thirty Thousand Pounds, so that the pressure of Stock might be withdrawn from the Market, and the Canal still proceed with activity towards completion.

3rd. That it would much increase the value of the Canal in the public estimation if it were possible to obtain a Grant of the Lands in Wainfleet which has been already promised conditionally: this would also much facilitate the means of raising any sum of money that might be wanted, as well as create much confidence in the undertaking.

Whereupon the Board came to the following Resolutions, viz.

1*st.* That a Letter should be written to Mr. McGillivray desiring him, should the Stock which has been reserved for the London Market and entrusted to his management for that purpose, still remain unsubscribed, he shall continue the offer of it for 14 days longer only after the receipt of the Letter, and if not subscribed in that time it shall be returned to the Company that it may be disposed of without fail as they shall direct.

2*nd.* That in order to prosecute the Work with advantage it is highly important that Funds be secured so as to meet the payments to the Contractors as they become due, with certainty. Mr. Yates is therefore authorised to procure a Loan of thirty or forty thousand pounds, on the security of the Canal, upon the best terms in his power.

3*rd.* That it will conduce very much to the general welfare of the Canal as well as afford better security to any persons who may be willing to advance the said Loan, if a Grant of the Lands in Wainfleet were procured to the Company: the President is therefore requested to make application to the Government for a Deed of them.

Mr. Yates said that the question had been started how far American Vessels could be legally allowed to pass through the Canal, and being one of importance he wished to submit it to their consideration.

Upon which the Board *Resolve*, That they will give immediate attention to the subject and adopt some measures for obtaining an Act from the Imperial Parliament if it shall appear necessary, to allow the passage of American Vessels transporting Merchandize on the same terms as British, and that the matter be fully discussed at the next Meeting.

Read a Letter from Mr. William Micklejohn Jun. with Proposals for cutting the Canal through the Cranberry Marsh, accompanied by Profiles and Estimates.

When it was *Resolved*, That Mr. Micklejohn be informed that the Board are much pleased with his Statement and Plans; but that it is not probable the Work will be commenced sooner than will afford him time to make himself thoroughly acquainted with the nature of it. Public notice will be given when the

Directors are ready to accept Proposals for it, and they will be very happy to receive his.

It appearing upon the statement of Mr. Merritt that the sum of £535 17s. 2d. was omitted in the last Estimate, for Messrs. Smith, Ward & Co. It was *agreed* that the amount shall be paid to them now and included in the Estimate of the ensuing month.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held at the Deep Cut,

WEDNESDAY, *July* 4, 1826.

PRESENT:

The Hon. Johh H. Dunn, *President.*
" William Allan, *Vice President.*
" John B. Robinson,
John Clark,
Keorge Keefer, and
William H. Merritt, Esquires.

The Minutes of the former Meeting were read and confirmed.

Read a Letter from Messrs. Irvine, McNaught & Co. of Quebec, dated June 24th, resigning their Agency. When the Vice President stating that he woutd write to Mr. William Walker of Quebec, and request him to undertake the business of the Company, It was *Ordered*, that in the event of Mr. Walker accepting the appointment he be authorised to receive the Accounts, Papers &c., from Messrs. Irvine & Co.

Read a Letter from Henry J. Boulton, Esq. dated London, May 3rd.

Mr. Thomas' Report on the Canal, &c. was read and approved.

Resolved, That a further Instalment of 8 per cent be called in, payable on the 22nd of August.

JOHN H. DUNN,
President.

THURSDAY MORNING.

The Board having met,

The Engineer's Estimate for the past month amounting to £4958 3s. 8d. was submitted, approved and ordered to be paid.

Read a Letter from Messrs. Pearse & Co. expressing their inability to perform their Contract, on Sections No. 31 and 32.

Whereupon it was *Resolved*, That those Sections shall be re-let on the 17th Inst., to the persons offering to take them at the best rate, and that Messrs. Clark, Keefer and Merritt, with the resident Engineer, be requested to meet at St. Catharines on that day to receive the Proposals and enter into Contract for the same.

JOHN H. DUNN,
President.

At a Meeting of the Directors held at York,

THURSDAY, *August* 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan *Vice President.*
John Clark, and
William H. Merritt, Esquires.

It appearing by the 7th clause of the last amended Act that the compensation to be allowed for loss or injury said to be sustained by various persons in the construction of the Canal, must be determined by Arbitration, on or before the 1st September next. It was *Resolved* 1st, That the following gentlemen be selected as Arbitrators on behalf of the Company, and that as many as are necessary be requested to attend at St. Catharines on Tuesday the 22nd Inst., viz:—

John Wilson,	Samuel P. Jarvis,
James B. Macaulay,	Edward McBride,
Samuel Street,	Samuel Beckett,
Smith Griffin,	Grant Powell,
John Warren,	Thaddeus Davis,
Crowell Wilson,	James Fitzgibbon,
Hugh Wilson,	Alex. Hamilton,
James Black,	Matthew Crooks,
Robert Nelles,	William Thompson,
Henry Nelles,	Samuel Leonard,
James Macklem,	William Chisholm,
Thomas McCormick,	Alexander Wood.

Resolved—That the following method be adopted in settling the said claims.

1st. The agent shall obtain from all those persons who agree to submit the discussion of their claims to the arbitrators appointed to meet on the 22nd instant, their consent in writing to abide by such decision.

2nd. He shall make application to those who intend to refer their claims to arbitrators as provided in the Act, and procure from them the person whom they shall select by name and designate in writing when he shall in like manner appoint one on behalf of the Company.

3rd. Should any persons wish to defer making their demand until the Canal is completed, he shall obtain from them their written consent to await and abide by such decision.

Read a letter from Messrs. Pearse & Co., stating their inability to proceed with their work on sections No. 26, 27, 28, 29, and 30, at their contract prices and offering to do it at other rates or desiring to give up the job.

When it was *Resolved*—That those sections shall be re-let, and the Agent give notice that the Directors will be ready to receive proposals at their next meeting at St. Catharines on Wednesday the of September.

Resolved—That Mr. Macaulay be engaged as Solicitor for the benefit of the Company in the ensuing arbitrators.

The Engineer's Estimate for the past month amounting to £6201 19s. 10d. was submitted, approved, and ordered to be paid.

JOHN H. DUNN,
President.

At a Meeting of the Directors held at Niagara, Saturday, September 2nd, 1826.

PRESENT:

The Hon. John H. Dunn, *President*,
" William Allan, *Vice-President*,
John B. Robinson,
William H. Merritt,
John Clark, and
George Keefer, Esquires.

The minutes of the former meetings were read and confirmed.

Read Mr. Galt's letter to Dr. Strachan, and Dr. Strachan's to the President, dated London, 16th June, and

Resolved 1*st*.—That an Instrument be prepared under seal of the Company appointing the five gentlemen, named by Mr. Galt, a committee to solicit subscriptions and demand payment of instalments upon £100,000, the Stock remaining to be subscribed, and that the committee be authorised to pay the monies received by them into the hands of Messrs. Bosanquet, Pitt & Co., and to appoint Mr. Galt if he will accept of it, and if he will not, any other gentleman whom the Committee may deem eligible, agent to the Company, to act under the direction of the Committee in London, and to whom such remuneration will be made for agency as is given to the agents of the Company in New York, unless upon future application to the Company it shall appear reasonable to make an additional allowance.

2*nd*.—That this Instrument be immediately despatched to London under cover to Mr. Bosanquet, and accompanied by the several reports of the Engineer on the progress of the work and general information as to the state of the undertaking.

3*rd*.—That the Stockholders in New York be immediately informed of the above measures taken by the Company, and that Mr. Yates be authorised by a letter from the President to negotiate a loan for $50,000 or $100,000 if necessary, upon the Company's bond and upon further security on the grant of land in Wainfleet on the supposition that the Company will have it in their power to offer that security by the time it can be ascertained by Mr. Yates whether he can succeed in effecting the loan. That Mr. Yates be also informed that on the supposition that the New York Stockholders may find it more convenient, and deem it more advisable to dispose immediately of £25,000 of Stock, the Company have in their communication with the Committee in London apprised them of their having authorised the New York Stockholders to do so, and that the Stock must consequently be subscribed in London subject to a proportionate abatement if such an amount of Stock shall be disposed of in New York. But it is to be understood that as it would be the object of this arrangement to procure the immediate advance of £25,000, if that amount of Stock shall be no w subscried in the United States it must be on the condition that the whole amount of the shares is to be paid up within four months from the time of subscription.

It appearing that several Stockholders have neglected to pay up their instalments as they become due, and that the arrears in some instances have accumulated so that the two last remain unpaid.

Resolved—That the several agents of the Company be directed to apprise all Stockholders who have made default in paying up their instalments, that unless the arrearages are paid up by the 10th of October next, the provision of the law for forfeiting their shares will upon that day be certainly put in force, and directing them on such day to give 30 days notice according to the act and expose them to sale, but should any defaulter tender his payment before the day of sale they may receive it.

Read a Resolution from the majority of the arbitrators engaged in the late arbitration, recommending a personal allowance of £1 per day for their services, when it was *Resolved*. That that sum be paid to those gentlemen who were engaged on behalf of the Company.

Resolved, That a further instalment of 8 per cent be called in payable on the 20th of October.

JOHN H. DUNN,
President.

At a meeting of the Directors held at York on Thursday, September 7th, 1826.

PRESENT:

The Hon. John H. Dunn, *Pressdent*,
The Hon. Wm. Allan, *Vice-President*, and
W. H. Merritt, Esquire.

The Engineer's estimate for the past month amounting to £4945 4s. 8d., and the following accounts, were approved and ordered to be paid, viz:

David Thomas, for travelling expenses.	£12	2	3
George Rykert, for services.....	25	10	0
The Secretary, for sundries.....	26	10	8
	£64	2	11

On account of the very important services rendered by Mr. Macaulay, as the Company's Solicitor in the late arbitration, and his being obliged in performing those duties to neglect other professional engagements.

It was *Resolved*, That he be allowed three guineas per day for the same.

The accounts for the expenses of the arbitrators being submitted to the Board, and it appearing that many of the charges are very excessive.

It was *Resolved*, That Mr. Merritt and Mr. Samuel P. Jarvis be requested to examine them.

The proposals for sections Nos. 26, 27, 28, 29, & 30, were deferred until the next meeting in order to receive Mr. Barrett's report on them.

The agent having stated that the following sums had been paid by the contractors for duties on articles necessarily imported from the United States.

It was *Resolved*, That the Board will consent to advance them the several amounts until the application to the Government is made agreeably to the resolution of the 8th June last, upon receiving their note of hand for the same payable in six moths after date. and the following sums were ordered to be according paid in, viz:

Ward & Co.....	£411	9	1
Bell & Co.....	17	0	1
Gooding & Co.....	15	0	9

The Secretary's letter to Mr. Bosanquet was read and approved.

JOHN H. DUNN,
President.

At a meeting of the Directors held at York, Friday, October 6th, 1826.

PRESENT:

The Hon. John H. Dunn. *President,*
" William Allan, *Vice President,*
John B. Robinson,
George Keefer,
Henry J. Boulton,
William H. Merritt, Esquires.

The minutes of the former meeting were then read and confirmed.

Read a letter written by the President to Mr. Bosanquet in pursuance of a resolution of the 2nd September, which being approved of and sanctioned by the Board, was ordered to be entered accordingly.

Also a letter from Mr. Adams requesting that his claim for injury sustained by the construction of the canal might be considered and settled by the Board —When it was *Resolved*—That as he declined submitting the same to arbitration in the regular way and has not made any specific proposal, the consideration of it must be deferred until the Directors meet at St. Catharines, when he will have an opportunity of attending personally and the Board be better able from personal inspection to judge of the value of his property and the loss he has sustained.

Some persons having refused to accept the sum awarded to them—It was *Resolved*—That the agent be furnished with £75 in specie and make them a legal tender of the amount.

The Engineer's estimate for the past month, amounting to £5624 2s. 3d., was submitted and ordered to be paid, also six months interest on the 1st instalment of the loan from Government—£5000 —amounting to £150.

Mr. Boulton having adverted to a passage in a letter from Simon McGillivray, Esq., to the President, now before the Board, in which he describes the draft of a report taken down by Mr. Boulton to Montreal as his own version of a report that had been previously submitted to the Board, appearing to represent it as one unauthorised, and having called upon the Board as an act of justice to himself to state.

1st. In what manner he (Mr. Boulton) was authorised to prepare or revise the report so that it should conform in principle to the draft read at the meeting at St. Catharines.

2nd. By what particular act of the Board Mr. McGillivray was authorised to frame the report subsequently published under his direction and to state in it that he (Mr. McGillivray) had been associated with Mr. Boulton in the agency in England.

It was stated by the President—That having been called to Montreal in the latter end of the month of December, 1825, he took this opportunity of seeing Mr. McGillivray on the subject of a report of the Welland Canal, which he left with him in September, for the purpose of receiving the sanction of the Board of Directors at St. Catharines, he (the President) being called to New York. Mr. McGillivray stated that as the Report was intended for the information of the persons in London, it was necessary that the Report should be amended agreeable to his ideas, and inserted his own name, which Mr. McGillivray thought important, and to which he (the President) agreed, and Mr. McGillivray submitted certain alterationsi n whieh he acquiesced upon the ground that as Mr. McGillivray was best able to judge of such matters rather than himself and that every confidence had always been reposed in him— and that it was most expedient for many reasons that some Report should be made by the Directors more particularly at that moment, as there was an application pending in the Legislature for a loan of money.

And it was also stated by Mr. Merritt and Mr. Keefer, that there were not any minutes entered in the proeeedings of the Board respecting the said report, but it was understood in conversation at the Board that Mr. Boulton should consult with the Hon. Doctor Strachan and the Attorney General, and revise the Report, when it was to be taken to Montreal and receive the sanction of Mr. McGillivray and Mr. Irvine, and then be printed.

Mr. Boulton also adverted to a passage in Mr. McGillivray's letter of the 14th October, to the President and Vice President, and in a letter of Mr. McCillivray to Mr. Irvine, in which he conceives it to be insinuated that the meeting at which it was Resolved that he (Mr. Boulton) should proceed to England as the Company's Agent, was *a casual* and not a regular meeting—that matters resolved upon then required confirmation at a subsequent and regular meeting, and that accordingly although many important matters were decided upon at the same meeting, besides the particular measure which regarded Mr. Boulton, there were in fact matters which had been previously discussed and virtually decided upon, which rendered subsequent confirmation unnecessary, and Mr. Boulton referring to the two Directors present who formed part of the Board at St. Catharines on the 20th September, desired to know how far these representations are confirmed by their knowledge of the facts.

They, viz: Mr. Keefer and Mr. Merritt, stated that the matters discussed at the meeting of the Board in September were generally new; it had never been the practice of the Board to lay over or wait for carrying into effect any measure for the sanction of a subsequent Board: the measure or minute respecting the mission of Mr. Boulton was proposed on Friday, the day after the other business was transacted; but they considered it a regular meeting, it was sanctioned as such on the same day. The minute referred to expressed a confirmation at another meeting respecting Mr. Boulton's Instructions.

At the same time they had (as it was understood by our general conversation at the time) no doubt but the business would be arranged in Montreal by

Mr. McGillivray, Mr. Irvine, and himself, although Mr. McGillivray mentioned that Mr. Boulton should not come down as early as he proposed.

At a Meeting of the Directors held at the Deep Cut,
FRIDAY, *Oct.* 27., 1826.

PRESENT:

The Hon. William Allan, *Vice President*,
John B. Robinson,
John Clark,
Henry J. Boulton,
George Keefer, &
William H. Merritt, Esquires.

The minutes of the last meeting were read and confirmed.

Mr. Yates of New York being present:

A letter from Mr. Davis, Agent at Montreal (dated 12th inst.) to the Secretary, and his answer, being read, it was *Resolved*, That the Directors having ascertained that it is by no means the opinion of those stockholders who have made much greater advances with punctuality, that any forbearance should be shewn from apprehension of injury to their interests by advertising the stock of defaulters for sale, and the directors seeing no other reason for hesitation: The resolution of the 2nd September, which has been communicated to the several agents, shall be carried into effect, and the shares of all persons who shall be defaulters on the 10th day of November next shall on that day be advertised for sale at auction in the town of York on Wednesday the 20th day of December next.

Mr. Yates having stated to the Board that if the resolution of the 2nd September authorising him to dispose of £25,000 stock on condition of the subscribers paying up the whole amount in four payments of 25 per cent each, was so far altered as to admit new subscribers on the same footing as the present stobkholders, it would in all probability enable him to succeed in the object contemplated, which as yet he has not been able to attain in consequence of that restriction—it was therefore

Resolved, That the Agents of the Company in New York be authorised to receive subscriptions to the capital stock to the amount of £25,000 upon condition of the subscribers paying £25 per cent at the time of subscribing, and £15 per cent per month if required by the Directors until their subscriptions shall be upon a par with those of former subscribers.

Ordered, That a copy of the above Resolution be furnished to Mr. Yates, under the seal of the Company.

As the operations of the present season are now drawing to a close it is considered expedient both for the information of the stockholders and to increase the general interest in the work, to give some detailed account of the progress already made, and of the future prospects of the undertaking, wherefore it is *Resolved*, That as soon as the Agent can furnish the necessary information a meeting shall be held in York for the purpose of appointing a Committee to prepare a General Report on the state of the Canal.

Mr. Yates, the principal Stockholder from New York, having attended at the meeting of the Board, and having recently inspected the whole line of th Canal, and thus enabled himself to judge most satis factorily of the opinion of the Board—the Director have the more pleasure in expressing on this occa sion their full and decided approbation of the con duct of the Agent, Mr. Merritt, upon whose intelli gence and exertions the success of the work has s much depended, and whose attentions have bee most unremitting—they feel also much pleasure i declaring their entire satisfaction with the proceed ings of the contractors and the engineers employe in the work, and that up to this period they hav every reason to repose confidence in their perform ing their several engagements to the satisfaction o the Company.

Saturday Morning.

The directors having met

Mr. Adams attended for the purpose of stating his reasons why he had objected to refer his claim for loss and injury sustained by the construction of the Canal to arbitration, and of submitting to the Board a statement of the compensation which he considered himself entitled to receive. When the Directors having taken the same into their consideration—

Resolved, That Mr. Adams be offered £600 in compensation for all land necessarily occupied, and all damages done to him by the Company, including mills, privileges, and improvements of every description—Mr. Adams to be at liberty to remove from his mill and erections of every kind such machinery and other fixtures as he may desire.

The above offer being made personally to Mr. Adams, he agreed to accept it—and the said sum of £600 was ordered to be paid on his compliance with the necessary forms and conditions.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held at York
November 14, 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President.*
John B. Robinson, and
Henry J. Boulton, Esquires.

The Agent having furnished the necessary information Mr. Robinson and Mr. Boulton were requested, and agreed to prepare a Report on the operation and state of the Canal, for the information of the Stockholders and the public.

It appearing that the following persons, viz.

Andrew Mercer,	Maitland, Garden & Co.
Saml. Ridout,	Robert Watson,
Henry Drean,	Beckett & Co.
Henry Read,	James Crooks, and
Simon McGillivray,	Thomas Elliott.

have been defaulters in the payment of their instalments for a considerable time, and have not expressed any intention of paying up their arrears—It was *Resolved*, That their Shares be forfeited agreeable to the 24th clause of the Act of Incorporation, which provides for the same, and that the Stock be advertised for sale at Public Auction on the 20th December.

Resolved, That a further Instalment be called in payable on the 20th December.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held at Mr. Robinson's Office, on

TUESDAY, *November* 28, 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President.*
John B. Robinson, and
Henry J. Boulton, Esquires.

Read a Letter from Mr. Yates, dated 14th Novr., when it was

Resolved, That as the Directors have relied upon the Funds to be received from New York they advise drawing in some shape, but in order to afford them all the relief possible the Agent to be instructed to make arrangements with Messrs. Ward & Co. for the payment of the amount which may be due to them, by a Draft on Messrs. Yates & McIntyre at 90 days sight, and that Messrs. Yates, & Co. be informed to this effect, and also that if at the expiration of that time they should not be able to meet the amount, the Directors will place them in Funds by requiring from Messrs. Ward & Co. the repayment of a Loan of £3000, which is now due, but would otherwise be continued on account of the different nature of their engagement.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held on Saturday, December 16, 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
" Wm. Allan, *Vice President.*
John B. Robinson.
John Clark, and
Henry J. Boulton, Esquires.

Ordered, That a General Meeting of the Board be held on Wednesday the 27th instant, and that Mr. Merritt be requested to bring with him every information respecting the future expenditure of the Company for the winter, viz. until the 1st of April, and how much it will require to carry on the Work from the 1st April to the 1st August, estimating the lowest rate at which it can be done, so that the Work may proceed.

Ordered, That Mr. Thomas be requested to attend the Meeting of the Board if possible, if not, to come as soon as he can.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held in the Directors' Room of the Bank, Tuesday Decr. 12, 1826.

The Minutes of the last Meeting were read, and confirmed.

The Report drawn up by Mr. Robinson and Mr. Boulton, pursuant to the Resolution of the 14th November, was finally read and approved, and 500 copies ordered to be printed.

Read a Letter from Mr. Adams and *Resolved*, That the sum of £600 be sent to Mr. Merritt requesting him to settle with him agreeable to the Resolution of the 27th October last, and Mr. Adams to be informed that if he is desirous of obtaining any Mill Seat or other privilege from the Company, that the Board are ready to receive his proposals.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held on Monday Decr. 18, 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President.*
John B. Robinson, and
Henry J. Boulton, Esquires.

The Estimate for the last month, amounting to £4830 7s. 9d. was approved and ordered to be paid.

Resolved, That a further Instalment of 8 per cent be called in, payable on the 29th January.

The Stock of the following persons, Defaulters in the payment of their Instalments, was ordered to be sold by Auction on Wednesday next, the 20th inst., due notice having been given, agreeable to the Act, viz:—

Andrew Mercer,.....	4	Shares.
Samuel Ridout,.....	4	"
Henry Drean,.....	5	"
Thomas Elliott,.....	6	"
Henry Read,.....	5	"
Simon McGillivray,.....	122	"
Maitland, & Co.....	50	"
Robert Watson,.....	5	"
Beckett, & Co.....	5	"
James Crooks,.....	20	"
	226.	

JOHN H. DUNN,
President.

At a Meeting of the Directors, held on Thursda Decr. 21, 1o26.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President.*
John B. Robinson,
John Clark,
Henry J. Boulton, and
J. B. Yates, Esquires.

Read Major Hillier's Letter, inclosing Despatch from Lord Bathurst.

Resolved, That Mr. Robinson and Mr. Boulton be requested to prepare an Answer to the Government in reply to the Communication.

Resolved, That (permission being first obtained) Lord Bathurst's Letter be added to the present Report.

Resolved, That application be made to to the several branches of the Legislature for an Act agreeable to the conditions contained in the said Despatch.

JOHN H. DUNN,
President.

At a Meeting of the Directors held at the Committee Room belonging to the Legislative Council, Dec. 28, 1826.

PRESENT:

The Hon. John H. Dunn, *President.*
William Allan, *Vice President.*
John Clark,
Henry J. Boulton,
W. H. Merritt,
George Keefer, Esquires, and
Mr. Yates.

Mr. Boulton having drawn up a Petition for several amendments to the present Act of Incorporation, it was read and approved, and ordered to be presented to the different branches of the Legislature.

JOHN H. DUNN,
President.

No. 3.

REPORT

Of the President and Directors of the Welland Canal Company to the Stockholders, published by order of the Board, York, U. C.

[Printed by R. Stanton, 1826.]

The President and Directors of the Welland Canal Company in submitting to the stockholders a report of the progress of the work under their superintendence, do not deem it necessary to enter into an exposition of the causes which led to the undertaking or the advantages expected from its completion, these have been already in various shapes before the public, & their desire is now to afford spch general information in regard to the actual state of the canal and the affairs of the Company as the stockholders will naturally require, and the public by whose countenance has been materially aided have a right to expect.

To enable themselves to judge more satisfactorily the Directors have frequently inspected the whole line of the canal and in addition to such remarks as occurs to them to offer they have subjoined the last report of Mr. Thomas, the principal Engineer who has had so much experience in similar operations; and this report as it proceeds from a gentleman of established character for integrity, judgment and science, can scarcely fail to be received as a document entitled to the fullest credit.

The present Directors were chosen in April last, when great preparations had already been made for conducting the work during the season which had then commenced; it was consequently left to them either to prosecute the undertaking with the utmost vigor, which the means within their reach would admit of, or by contracting the intended scale of operations to disappoint public expectation, and increase the apprehensions of all who had appeared to doubt of the completion of the Canal—Such a course would also have brought upon the contractors the perplexity and confusion which must have followed such a step after they had prepared to proceed with dispatch; and upon the Company the disadvantages not easily estimated of pursuing the least economical method for carrying so great an undertaking to its completion.

Whether the event shall prove that they have done right or wrong, they did not hesitate in their decision; and although the measures they have adopted in consequence have been attended with no little responsibility, and presented serious difficulties they have persevered to this point and they are happy to think successfully, without restraining the exertions of the contractors, from giving way to doubts either as to results, or as to the possibility of finding means to meet so rapid and considerable an expenditure. The Directors are confident, that if resources are at hand to resume the work during the next season in the same spirit it will at the conclusion, be apparent to the Company that economy has been best consulted by the extraordinary exertion which has completed so large a portion within the present year.

After the public discussions which have taken place relative to the affairs and proceedings of the Company, it is to be presumed that it must be generally known to the stockholders and to others, that of the £200,000, the amount of stock authorised to be held by the Welland Canal Company, only one half, or £10,000, was actually subscribed when the Legislature in their last session authorised the advance by way of loan of £25,000 in aid of the undertaking. The case is the same at present.—When it was determined upon the suggestion of the principal stockholders that a canal upon an enlarged scale so as to admit of navigation by schooners, would be much to be preferred both on the ground of utility to the public, and profit to the Company, the Legislature was necessarily applied to for authority to increase the amount of stock in order to meet the great additional cost.

The design appeared to have been approved of in every quarter, and as soon as the requisite authority was obtained those who had then the direction of the Company's affairs were eager to pursue with the least possible delay an undertaking which had now acquired so great additional interest and importance. It having been thought expedient to increase the number of Directors, Mr. Simon McGillivray, and Mr. Irvine were added by act of the Legislature to those who had been chosen for the year then current.—Mr. McGillivray was at that time in this Province and had the opportunity of consulting with the other members of the Board; the stockholders resident in New York had communicated their opinions very freely in regard to the interests of the Company, and with a liberality of conduct which

has marked their proceedings in every step, had expressed their entire confidence in the propriety of whatever measures should be resolved upon. There cannot therefore be the slightest reason to question that the resolution which was then taken immediately after the act had passed, enlarging the stock and materially changing the character of the undertaking was one which appeared to the Directors to promise the most substantial benefits in every point of view.

It was thought that the practicability of connecting our great inland waters by a most convenient navigation, and at a cost, moderate indeed, when compared to the object, could be demonstated to the entire satisfaction of our fellow subjects in England: and it was considered little doubtful that when the project could be made plainly to appear a safe, and rational one, the same abundance of capital and spirit of enterprise which were at that time leading to the formation of companies for objects comparatively visionary, and of which many regarded improvements in foreign countries, could be easily enlisted to the small extent required in aid of one of the greatest and most useful undertakings of modern times.—Indulging this hope, it was resolved to throw open no more than one hundred thousand pounds for subscription in these Provinces and the United States, and to reserve the remainiug £100,000 to be subscribed in London.—It was believed through the intervention of gentlemen who had commercial connexions and acquaintances in London, the project of the Welland Canal could be so favorably introduced as to meet that confidence which it was known to be entitled to here; that the small sum required would be immediately taken up, if the application were at all successful, was at least as probable, and it cannot be a matter of surprise that the Directors should feel a strong desire to associate British Capitalists in this Provincial undertaking and thus make it the means of attracting the attention of persons who would have it so much in their power to promote the commercial interests of Upper Canada.

Under these impressions it must be presumed, the Directors acted in April, 1825, when they made this reservation of stock, and in pursuance of their plans the President was instructed when he repaired to New York, in order to confer with the Stockholders resident there,and to procure additional subscriptions not to accept of a greater amount of stock than £50,000, which it was presumed would, in addition to that which had been and might be subscribed in the British Provinces, make up £100,000. So far from meeting with difficulty in procuring the limited amount, the President was induced by the readiness exhibited, to extend the subscription to £75,000 which was instantly taken up, and he returned with the impression that if the whole had been thrown open it would have been subscribed with equal facility. The reference to England, however, had been finally resolved upon, and it was necessary to await the issue.

The Directors of the Company for that year now commenced their work with spirit, they found a large amount of stock already subscribed, and they saw a confidence in the undertaking exhibited, which left no room to doubt that the remainder would have been taken in America, if it had not been designedly reserved. They may be supposed also to have expected confidently, that before the progress of the work required it they would hear of £100,000 being subscribed in England, and having this double assurance of being in a condition to meet their engagements, they entered into contracts for the completion of the Canal from the River Welland to Lake Ontario, for a sum exceeding by almost one third the amount of stock which was actually taken up.

This portion of the Canal, it must be observed, embraces the only serious difficulties which have been apprehended as likely to present themselves—namely, the harbor on Lake Ontario, the descent of the mountain which includes some rock excavation, and the deep cutting which through a distance of nearly a mile and three quarters, averages a depth of excavation of 44 feet.

When completed it will afford a perfect communication with Lake Erie, by the descent of the Welland to the Niagara River, and for this reason as well as from the desire to shew the practicability of the whole design as speedily as possible, by encountering at once the only difficulties to be dreaded —it was thought clearly expedient to devote the whole of the present means of the Company to the completion of that section, leaving the other to be undertaken so soon as the remaining funds should become available.

As the present Directors have adopted and persevered in the course which their predecessors had begun, it may be permitted them to say something, if it be necessary, in vindication of the resolution to proceed with the work, while so great a proportion of the stock remained unsubscribed. Besides the expectation (amounting under existing circumstances to almost a moral certainty of the remaining stock being speedily filled up; it is, in the first place to be borne in mind, that had the stock at once been all taken, it would have been competent to the Directors, and they would doubtless have deemed it judicious, to have put both sections or the whole line under contract at the same time. In that case the calls upon the present Stockholders would have been nearly the same, both in regard to periods and amount, as they have been in order to carry on the section now in progress.

In the next place, it is but justice to mention, that the Directors of the present year, however much they might have been fairly influenced by these considerations, and notwithstanding their ardour to prosecute the work without delay, did not in fact proceed except under the fullest sanction of those stockhers at least, whose share in the undertaking was so great as to make it proper to consult them before embarking in contracts, which would call for greater and more rapid advances than might appear reasonable.

The contracts were entered into in the month of July, 1825, and considerable progress made in the execution of some of them duriug the summer. The contractors, after the experience that has now been had of them, are stated with great confidence by th Directors, to be persons as eligible in all respects a they thi k the Board could have met with; and in deed, with a few exceptions, and those not in cas of any moment, they have exhibited a knowledge their several descriptions of work, and have prac

ed to this time a regularity, economy, and a persevering industry in the conduct of it, which it is believed have not often been excelled.

It was perceived very early in the operations of 1825, that to continue them with the despatch which the contractors pressed upon the Company, and which it was evidently the interest of the latter to facilitate, would demand an expenditure which could not be provided for from the funds expected to be raised in England, unless the reference for that purpose were promptly attended with success. For giving effect to that reference it seems that much reliance was naturally placed on the zeal and intelligence of one of the Directors appointed by the Legislature, who desired, before he could pledge himself satisfactorily for the success of the undertaking to acquire from personal observation a more intimate knowledge of it. Circumstances put it out of his power it appears to make the desired inspection before the month of September, 1825; and other occurrences to which it is painful to allude, shortly after combined to render his services of little avail.

At this time, however, viz. in September, 1825, it was determined that Mr. Boulton, another of the Directors should proceed to England for the purpose of endeavoring to raise subscriptions of Stock, and he was to be furnished with the necessary powers and instructions. In the month of November such instructions as the Board considered necessary were transmitted to Mr. McGillivray in Montreal to be forwarded to Mr. Boulton, then in London; but from the unfortunate occurrences already alluded to, they were omitted to be sent, and in the absence of such authority, no direct attempt was made nor could be made by Mr. Boulton to procure subscriptions.

It is not however very probable that this delay was of material consequence, for in the first place means were taken by Mr. Boulton to attract favorable attention in England to the measure, and moreover, that unhappy reverse had occurred in the commercial world, which not only had disabled many from lending their aid, who might a few months before have cheerfully granted it, but which had the much more general and decided effect of producing an universal suspicion of all such undertakings, and a disinclination to invest capital in them.

Before however it could be known that the application for subscriptions in England was not likely to meet with immediate encouragement, it was thought unsafe to rest in entire dependence upon it. The delay in making it, for which the reasons have been assigned, left it no longer prudent to await its result without attempting to provide other means for prosecuting the work with despatch according to the contracts into which the Directors had entered; and under this impression, relief was sought by applying to the Legislature for an advance of £25,000 by way of loan, in anticipation of the Company's funds.

The ready acquiescence of the Legislature has been of infinite use—it has not only enabled the Directors to proceed through the season in the manner thought most desirable, and to which indeed they were pledged; but it served at a critical moment to give a character to the undertaking and a confidence in its success, for which the Company is most grateful and for which they trust the Province will at no distant day receive an ample recompense.

With the aid of this advance the Directors have had it in their power to make such arrangements for calling in the Stock as the Stockholders have been enabled to meet, although so great has been the pressure during the last few months upon persons engaged in commerce, that if it could have been foreseen the Directors would probably have felt it incumbent upon them to have restricted their operations, in order to avoid those frequent calls for large instalments, which they are sensible have borne most heavily upon those gentlemen at New York who hold the greatest proportion of Stock, but who have nevertheless answered those calls with a promptness and punctuality in the highest degree honorable.

In the midst of the operations of last summer which it required an average monthly expenditure of nearly £7,000 to maintain, the Directors found a good deal of uneasiness was naturally excited by the long delay in filling up the Stock. The reference to England had been hitherto ineffectual, and it was strongly pressed by those Stockholders who were sustaining the great weight of expenditure, that a period should be put to this indefinite expectation, and measures speedily taken for completing the subscription in America.—The Directors in deference to representations, certainly not unreasonable, determined though reluctantly, to send instructions to England, that if, within 14 days after the receipt of their letter, the required amount of Stock was not subscribed, the Books should be closed and an immediate communication made to this country in order that instant measures might be taken for soliciting subscriptions here, and in the United States.

Although sufficient time has elapsed no answer has been returned, and a hope arises which has been suggested by another circumstance, that the original expectations of the Directors may yet be fulfilled.

Not long after the Directors had written to England in the terms already mentioned, a letter was received from Mr. Galt, Secretary to the Canada Company apprising them, that the following very respectable gentlemen, Directors of that Association, viz:—

CHARLES BOSANQUET,
JOHN HULLET,
JOHN ESTHORPE, M. P.,
MARTIN TUCKER SMITH, and
HART LOGAN,
} Esquires,

had consented to act as a Committee in behalf of the Welland Canal Company. Upon this intimation so gratifying to the Directors, no time was lost in transmitting to Mr. Bosanquet, the Chairman, the necessary powers and instructions to enable the Committee to act, and these documents were accompanied by an account of the present state of the Company's affairs, and of the nature and progress of the Canal, The communication of the Directors was sent from New York on the 24th September, and it is to be supposed that a long time will not elapse before some intelligence is received from the Committee in London.

To enable the Stockholders in America to bear with the less inconvenience the additional delay of awaiting this intelligence, the Directors have author-

ised the agent for the stockholders in New York either to negotiate in the meantime for a loan on the credit of the Company, or to procure subscriptions to the amount of £25,000, and they have apprised the committee in London of this step, and of the necessity, in case the £100,000 should be subscribed there, of its being accepted, subject to the contingency of a proportional abatement in the subscription of each stockholder in case the £25,000 should be subscribed in America.

To facilitate the negotiation for a loan if that were thought advisable, the Directors preferred an application to His Excellency the Liutenant Governor in Council, praying that the company might receive an immediate grant of the tract of land in Wainfleet, comprising 13,000 acres, of which, upon His Excellency's intercession, His Majesty's Government in England had authorised a grant to be made to the Company, but which it had been understood would not issue until there appeared a reasonable assurance that the objects of the Company would be fulfilled.

His Excellency has been pleased to consider the great exertions which have been made, and the actual state of the work, a sufficient assurance of its completion, and the grant has accordingly been directed to be perfected, which additional mark of public countenance and support the Directors cannot but regard as highly favorable to the Company.

Having thus explained the situation of the Company's affairs, and by what means they have been enabled to complete their engagements, the Directors proceed to give some account of the present state of the Canal, and the hopes which, so far as they can judge, may be reasonably indulged, in regard to its completion.

It was a recommendation strongly urged upon the Directors, by the principal Stockholders, that no necessary expense should be spared in procuring Engineers of competent ability and of known character, and accordingly early in this season, Mr. Alfred Barrett, long employed on the Erie Canal, was engaged as the principal resident Engineer, under whose immediate and constant superintendance the whole of the work has proceeded.

Mr. David Thomas the principal Engineer, whose reputation and experience were satisfactorily vouched for, has also been engaged at an annual salary to visit the work at stated intervals, report its state and progress, and offer suggestions of any improvements on the original design which might appear desirable. The Directors have had no reason to regret their selection in either case.

Without descending to unnecessary details the Directors now report to the Stockholders that up to the 10th November last there has been expended the sum of £69,404 1s. 10d., and that they have with that expenditure fully complied with their engagements of every description.

The Report of Mr. Thomas states concisely what proportion of the work is done, and what remains to be executed, with the expense which will be necessary to complete it.

The plan which the Directors have appended to this Report exhibits the route and profile of the Canal and it is thought it may not be uninteresting to inform the Stockholders also of the names of the Contractors who have undertaken the several Sections, 35 in number. This information is given in Appendix [No. 2.]

Of the first Section, which commences at the River Welland, and is 66 chains in length, one half is completed, the Canal is filled and the Towing Path finished, so that it exhibits a fair specimen of this great navigable channel as it will appear when perfected.

The 2nd, 3rd, 4th, 5th and 6th sections comprehend the Deep Cut, and on this part of the Canal the greatest portion of labor has been employed and the most persevering exertions of the Contractors have been applied to it throughout the season, which has been very favorable to their operations.

The present appearance of the work sufficiently proves how great these exertions have been, at the same time that it affords the means of judging, with tolerable accuracy of the labor necessary to complete this most arduous part of the undertaking.

It has been already stated in this Report that the extent of what has commonly been called the Deep Cut, is nearly one mile and three-fourths, the greatest depth of excavation necessary is 56 feet, and the average depth about 44 feet.

In one part of it they have obtained the bottom level—in every section great progress has been made —and taking the whole cut through, the average depth of excavation completed on the 1st Nov. last, is estimated at about 18 feet.

It must be expected, of course, that the labor of excavating and raising each cubic yard will be greater as they descend ; but on the other hand it is to be considered that as the Canal contracts greatly towards the bottom, the completion of the first eighteen feet has required the removal of a vast deal more of earth than will be necessary for descending an equal distance beyond the present excavation.

The Directors felt it indispensible, in order to adapt the Canal to navigation by schooners, to enlarge very materially the dimensions of this Deep Cut beyond the original design. They have been so extended as to afford fifteen feet in depth at the bottom level, and the Banks rise from thence to the towing path twelve feet, with a slope of nearly two feet to one. The towing path is to be ten feet in width, and on the opposite side there will be a berm of seven feet. From thence the Canal rises with an angle of 45 ° to the surface. These dimensions give a surface of forty-three feet of water on this portion of the Canal, viz : for a mile and three-fourths, which is calculated will admit the passing of 10,000 cubic feet of water at the rate of half a mile per hour, and thus afford an abundant supply of water for all hydraulic purposes. In the judgment of the engineer the slope at the bottom is ample, and as there appears to be no reason to apprehend the slipping of the banks, he is of opinion the steeper the cut can be made above the towing path the better, as the less will be the surface exposed to the action of rains and frost.

It is impossible that earth more favorable for such an operation could have been met with. There is no rock to impede the excavation, and although, the soil a stiff clay, is more expensive to remove than

lighter earth, that difficulty is amply atoned for by the solidity and tenacity of the banks, and the assurance there seems to be that they will sustain, without material alteration, the influence of the weather. Experience has given no reason for apprehension on this head. When the excavation of the Canal is finished, so that the margin can be dressed and the water led off from it by some small drains, it is not probable that any considerable quantity of earth will be crumbled by frost and thaw, or washed down by torrents; and it is conceived that whatever portion shall be from time to time detached from the sides, will be conveniently intercepted by the towing path on the one side, and the berm on the other, and be removed from thence in scows with little difficulty.

The alteration in the dimensions of the Deep Cut has rendered an additional excavation necessary of 115,090 cubic yards, but it is conceived that the obvious advantages of it will fully justify the measure. It will be seen in the Engineer's Report, before referred to, in what state of advancement the Locks now are. The Contractor has had difficulties and disappointments to contend with, but has, nevertheless, proceeded with much activity, and from present appearances there is every reason to trust that this important part of the work will be executed to the satisfaction of the Company.

Three Locks of 32 feet in width, and 125 feet in length, with 5-7 and 9 feet lifts between the village of St. Catharines and Lake Ontario, on a level of 5 miles, will, it is expected, be completed this autumn and will be navigable by means of a feeder from the west branch of the 12 Mile Creek. On the section including the ascent of the mountain, four locks will be finished also this season, with the exception of the gates.

It has been a matter of much consideration with the Directors, whether it would not be advisable to construct the Locks throughout of the width of 32 feet, in order to admit of a continual navigation by steamboats from one Lake to the other, but they found that the increase of expense would be more than they dare venture to incur; besides that from the greater length required there would not be room to descend the mountain without a combination of locks, which it is very desirable to avoid. The object, however, is so important of admitting navigation without transhipment by steamboats, which it is to be supposed, will in time be almost exclusively employed in transporting the productions of the Upper countries, that the Directors deem it right, notwithstanding this apparent inconvenience, to call the attention of the Stockholders to the subject, while the progress made in the Locks is not yet such as to increase greatly the difficulty of the alteration. To make the suggestion the more intelligible, it is to be observed, that steamboats entering the Canal from the Welland, would, from the large scale on which it is made, have no difficulty to encounter in passing through the Deep Cut and along the Canal to the first lock, from whence, in the course of four miles and 32 chains, including the descent of the mountain —there will occur 32 locks of 100 feet in length, and 22 in width, dimensions too small to admit of steamboats; and this distance of 4 miles and 32 chains so long as these 32 locks remain of these small dimensions will constitute the only interruption to the passage of a steamboat from the one Lake to the other, and indeed from Lake Huron to Prescott on the St. Lawrence.

From the foot of this chain of Locks to Lake Ontario, there are indeed three other Locks, but the Directors have thought it advisable to construct these of such a width as to admit steamboats, which will, therefore, have no difficulty in ascending the Canal to the village of St. Catharines, a distance of 5 miles. Throughout the greater part of this distance, such is the peculiar make of the banks along the 12 Mile Creek, that the navigation will rather resemble in some places a basin, and in others a large river, than a Canal. The additional cost of constructing these Locks on the enlarged scale is about £125 each Lock, an expense which it is believed will be amply compensated by the increase of tonnage on the steamboats, and by the convenience they will afford to navigation.

The dimensions of the Canal, with the exception of the Deep Cut, are as follows: 26 feet on the bottom, with slopes of two to one up to the towing path; and a breadth of 56 feet on the water line. These dimensions are sufficient for vessels of 22 feet beam to pass each other, and none of larger size can enter the Locks. The ordinary depth of the water will be 8 feet.

For the progress of the intervening sections of the Canal which present no particular feature the Directors refer to Mr. Thomas's report. It will be seen by it that the distance of 4 miles and 61 chains from the harbor at the 12 Mile Creek upward, will most probably be completed even before the operations of this season are absolutely closed.—And when this is considered in conjuction with the labor done at the Deep Cut, and the proportion of the work performed along the whole line it cannot but be admitted that immense progress has been made during the last year in this most desirable undertaking.

In regard to the harbor itself, so far as the opinion of several Engineers can be depended upon, and which opinions, it is said, are confirmed by the concurring testimony of Col. Sir James Carmichael Smith, of the Royal Engineers, who visited the work last year, during his tour through this Province—so far also as the judgment of the Directors, unskilled as they certainly are in matters of this kind, can be thought of any value, they are happy to express their belief that there is no good reason to doubt its successful completion.—Great progress is made in it—all that has been done appears to be sufficiently substantial, and they expect early in the next year it will be finished, and present a capacious and secure port, the access to which will have a depth of water of 12 feet.

Reviewing at once the whole of the line now in progress, from the Welland Canal to Lake Ontario, it is estimated that 1,330,704 cubic yards of earth have been excavated, and 202,707 yards of embankment made, besides finishing a culvert of solid masonry, and it is expected that at the end of the present month 10 miles of the Canal will be finished. It appears also by Mr. Thomas's estimate, that on the 1st Nov. last there remained still to be excavated 1,126,534 cubic yards, and 155,445 yards to be embanked. The greater part of the materials for

the locks is in readiness, and also the timber for piers at the harbor.

The erection of buildings, stables, and outhouses necessary in the conduct of so great a work, forms no inconsiderable part of the operation. This labor is surmounted—every section of the Canal is in a state of forwardness, and the clearing and grubbing is now completed.

Many of the contractors commenced late in the season, and yet they had on the 1st of November last excavated 204,176 yards, and embanked 47,262 yards more than remained then to be done; so that unless some unforeseen obstruction occurs there seems every reason to anticipate that the work will be completed, or certainly very nearly so, during the next year.

The full amount of stock being not yet subscribed, the Directors have not proceeded to contract for the western section of the Canal, leading from the Welland to the Grand River, but so soon as the necessary funds are available they will enter upon this part of the work; as it is sufficiently evident that neither the Company nor the public will reap the full benefit of what is now doing until this part of the Canal is also finished.

According to the provisions of the statute passed last year, an arbitration was held at St. Catharines in August last, to determine the amount of damages to be paid by the Company to proprietors of land along the course of the Canal from the Welland to Lake Ontario.—With the exception of a very few individuals (one of whom, and the only one whose claim can be considerable, has since been settled with for the sum of £600,) all persons who can have demands upon the Company, in respect to that portion of the Canal, submitted them to the arbitrators, and a final award has been made, which directs the Company to pay claims amounting in the whole to £1,794.

The Directors cannot close this Report without desiring to pay a just tribute to Mr. Merritt the Agent of the Company, to whose indefatigable exertions, intelligence and uncommon perseverance, displayed from the original conception of the work to the present moment, it would be most unjust not to ascribe, in a great measure, it present encouraging state.

They can best appreciate the difficulties he has had to encounter, and have had the best opportunity of judging of his conduct and motives. Of thelatter they would not take the liberty of speaking, if they were not sensible that injustice has been sometimes done to them, which makes it a duty to declare their entire approbation of Mr. Merritt's proceedings in all that has fallen under their observation.

The Directors have acquired information of several facts tending to demonstrate that an immense intercourse through the Welland Canal must necessarily and speedily follow its completion, and to hold forth every motive both of public feeling and of private interest to the people of this Province, to desire the success of this work, with an ardor which they cannot but remark how small a degree has on this occasion been hitherto exhibited by the inhabitants of the country generally, and even by many who reside in the vicinity of the Canal.

But they do not consider this the proper occasion for entering into detailed calculations necessary to illustrate the value of the object which the Company is endeavouring to obtain.

John H. Dunn, *President.*
W. Allan,
John B. Robinson,
H. J. Boulton,
John Clark, } *Directors.*

York, 18*th December* 1826.

Since the Report was put to press, a most gratifying letter of which the following is a copy, has been received by the President, from Major Hillier, Secretary to His Excellency the Lieutenant Governor, enclosing a copy of a Despatch from the right honorable Earl Bathurst, his Majesty's Provincial Secretary of State, which being communicated at a special meeting of the Board, it was directed that they should be added to the Report, nothing could be more agreeable and more highly satisfactory to the Directors than to have it in their power thus to conclude their Report. By recording another act of the munificence of the British Government extended to this highly favored colony. An act the more gratifying, as it has been entirely unsolicited on the part of the Company, and adds, at a moment when it was unlooked for, the encouraging patronage and support of the Imperial Government, to an undertaking which had before experienced the assistance of the Government and Legislature of this Province.

The Directors have resolved immediately to prefer a petition to the Legislature for the enactments necessary to carry into effect His Majesty's most gracious intentions.

Government House,
21*st December* 1826.

Sir,

I am commanded to convey to you, for information of the Directors and Stockholders of the Welland Canal Company, the enclosed copy of a Despatch from His Majesty's Government, from which I am to assure you His Excellency the Lieutenant Governor has derived the highest gratification: and has charged me to lose no time in communicating it to you.

I have honor to be
Sir,
Your most obedient
humble Servant,
G. HILLIER.

The Hon. J. H. Dunn.

Downing Street,
September 30*th*, 1826.

Sir,

His Majesty's Government having granted the sum of twelve thousand pounds, in aid of the expense of constructing the Lachine Canal in Lower Canada, upon condition that all Boats and Vessels

with Public Stores should be permitted to pass without the payment of any toll or duty; and considering that the Welland Canal, now in progress on the Niagara Frontier, will afford great facility in forwarding Stores to Lake Erie and the upper parts of the Province of Upper Canada, and that by constructing the Locks of the width of 22 ft. it would become a work of much greater public utility. I am to desire that you will acquaint the Directors that His Majesty's Government would be willing to afford the same degree of assistance towards the expense of the Welland Canal which was given to that of Lachine which was about a ninth of the estimated sum required in its completion; and as the estimated expense of the Welland Canal is £147,240, the sum to be contributed by the public for the privilege of forwarding Government Stores &c., would be sixteen thousand three hundred and sixty pounds.

In the event of the Directors agreeing to this proposal, it is necessary that a Provincial Act should be passed, in which the Company shall engage to construct the Locks of the Canal of the width of at least 22 ft., and securing the use of the Canal to all Vessels and Boats, the property of His Majesty; and also to all other Boats and Vessels, when engaged in carrying Government Stores, without the payment of any duty or toll in consideration of the sum of £16,360; to be paid in four equal annual instalments, or sooner, if the Canal should be completed at an earlier period.

I have the honor to be,
Sir,
Your most obedient
Humble Servant,
(Signed) BATHURST.

(A true Copy.)

MAJOR GENERAL
SIR PEREGRINE MAITLAND,
K. C. B. &c. &c. &c.

APPENDIX.

No. 1.

To the President and Directors of the Welland Canal Company.

The subscriber respectfully reports:—

That on Sections No. 1, 2, 3, 4, 5, 6, *which include the Deep Cut*, there has been excavated 692,699 cubic yards and there remains to be done 796,021 cubic yards, which at the contract price, will amount to £60,878 15s.

One half of the Section No. 1, (66. 71 chains in length) is finished and the other half is cut within 5 feet of *bottom*. The remainder of these Sections (1 mile 55 chains) is excavated to the average depth of 18 feet, and another year will be required for its completion. Nothing unfavorable has occurred during the progress of the work.

On Sections No. 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, extending down to the *first Lock*, 233,812 cubic yards have been excavated, 67,365 cubic yards have been embanked and a culvert of 307 perches of Masonry, constructed. The contract prices for 174, 679 cubic yards of excavation and 26,500 cubic yards of embankment yet remaining to be done, will be £5,532.

Of this part 2 miles 75 chains are *bottomed*. On the remainder (1 mile 18 chains) the grubbing is chiefly done, and but a small part of the ground is unbroken.

The distance from *the first Lock* down to St. Catharines includes 14 Sections. On these 252,329 cubic yards have been excavated, and 28,327 cubic yards embanked. To finish them, 135,710 cubic yards of excavation, and 104,745 cubic yards of embankment will be required with the sum of £7,286 17s.

Only 58 chains of this part are finished.—Of the remainder, 1 mile and 49 chains are unbroken; and about one-third of the work on 2 miles and five chains is done, with all the grubbing, except half a mile.

On this part, 32 locks are located. Of 4 locks, two-thirds of the work is done; and of the remaining 28 Locks, two-thirds of the timber is delivered.

To render the Locks more permanent it has been deemed proper to have *hollow quoin posts, braces, lining in the chambers, an increase of iron about the paddle gates and culverts, an extension of the mitre sills, a greater depth for the upper gates, and an additional foot to the height of the lock walls.* These *Extras* on all the Locks, with the encreased dimensions of those below St. Catharines, added to the contract prices will amount to £5,991 2s. 11d.

Between St. Catharines and Lake Ontario, there has been done 151,864 cubic yards of excavation and 107,015 cubic yards of embankment. There remains 20,124 cubic yards to be excavated, and 24,200 cubic yards to be embanked which will require £5,300 including the expense of the harbor, the extension of the Piers, and the excavation between them into 12 feet water.

On this part three Locks were located, which will probably be completed in a month. The distance of 4 miles and 61 chains are nearly finished and 25 chains are yet to be embanked, but it is intended to finish the whole this season with the exception of the harbor.

DAVID THOMAS,
Principal Engineer.

ST. CATHARINES,
November. 11th, 1826.

No. 2.

Names of the Contractors on the Welland Canal, with the Sections opposite thereto. The Sections are numbered from the River Welland, and vary in length according to the depth of cutting and amount of work.

SECTIONS.	CONTRACTORS.
Nos. 1, 2, 3, 4, 5, 6, the Deep Cut, ...	Messrs. Beach, Ward, and Hovey.
" 7, ...	" Kennedy & Co.
" 8, ...	James Simpson.
" 9 and 10, ...	Hall Davis.
" 11, 12, 15, 16, 20, 24, and 25, ...	Messrs. Wallace, Bell, Thomas Griffiths, William Richardson, Nicholas Walton and Joseph Carr.
" 13, ...	William Simpson.
" 14, 17, 18, 19, 21, and 22, ...	Messrs. John Gooding, Levi Taylor, Richard Hathaway, & — Sayer.
" 23, ...	James Simpson.
" 26, and 27, ...	Messrs. Davis & Simpson.
" 28, ...	" Hanan & Co.
" 29, and 30, ...	" Houg & Co.
" 31, ...	" Davis & Simpson.
" 32, ...	" Goodling, Houg, Biglow & Jones.
" 33, ...	" Porter & Donaldson.
" 34, ...	John Tenbroeck.
" 35, ...	Messrs. Beach, Ward, and Hovey.
The Harbor, ...	" Beach, Ward, and Hovey.
The Locks, ...	" Oliver, Phelps, & Co.

W. H. MERRITT,
Agent, W. C. C.

No. 4.

REPORTS OF DAVID THOMAS.

May 12th, 1826.

To the President and Directors of the Welland Canal Company.

The Subscriber respecting the works on the line of said Canal,

RESPECTFULLY REPORTS,

That from the state in which the work was found, it will require one month at least to have it staked and laid out in proper order by the resident Engineer who will want two assistants besides rod men, probably during the season and it is most certainly for the interest of the Company to employ them.

The alterations recommended at this time, are

1st. To remove the Lock at the Harbor a few feet to the east to avoid excavating a high bank.

2nd. To give the Canal below the tow path a slope of 2 to 1, to save the excavation of a solid angle (or prism) which experience has shewn to be speedily filled again by the scouring of the *under tow*, or recoiling of the water.

3rd. To shorten the land-ties of the Locks under water to save excavation in the Lock-pit.

4th. To place the upper gates below the top water line of the lower level so that Lock culverts may be dispensed with by discharging the water for filling the Lock through the gates and to prevent the drifting of sand or gravel over the miter-sill.

From the late arrival of the resident Engineer I regret that it is not in my power to make a full report of all the operations at this time.

DAVID THOMAS.

ST. CATHARINES, *5th mo.*, 12*th*, 1826.

No. 5.

JUNE 13th, 1826.

To the President and Directors of the Welland Canal Company.

THE SUBSCRIBER RESPECTFULLY REPORTS:

That since the middle of last month, Alfred Barrett, the resident Engineer, has made a careful estimate of the work performed, throughout the line of said canal; and by great and mutual exertion is reducing the work to order, and the business of his department to a regular sysem. He is fully competent to the charge, and his services have been very satisfactory.

The slopes of the Deep Cut above the tow path are at an angle of 45°. These are steeper than it has been usual to cut canals, but the clay is so firm, that the frosts and rains of two seasons have occasioned no slips worthy of notice. The tow path on one side, and the berm or recess on the other, will receive the earth that crumbles or washes down, which may be cheaply removed in boats when the canal shall be completed.

With a velocity of half a mile an hour, nearly 10,000 cubic feet of water per minute will pass through this section of the canal, and furnish an ample supply for hydraulic purposes.

The dimensions now proposed are 26 feet on the bottom, with slopes of 2 to 1 up to the tow path; and a breadth of 56 feet on the top water line—this is sufficient for vessels of 22 feet beam to pass each other, and no larger can enter the locks.

The prices agreed to be paid to each contractor on the line of the Canal, have been examined by the subscriber, and he has no hesitation in saying that should the work be finished, for the prices, it will be cheaper than any similar work on the Erie Canal.

It affords him much satisfaction that the Deep Cut, the most important part of the work, is in the hands of contractors of acknowledged abilities and experience; and whose plan of operations, combining expedition with economy, is, perhaps unequalled. The

construction of the locks requires great care, attention, and ingenuity; and their management could not be placed in better hands. In short, from his personal knowlege of most of the contractors on the line, he is confident that no better selection could be made.

Particular attention has been paid to procuring at the proper season, the timber for constructing the locks; the labor of the contractors have been directed to such points as first require excavation and embankment; and the estimate for last month shews that the works are advancing with rapidity.

The line of the canal is very favorably and singularly situated for combining an extensive navigation with hydraulic advantages. Another prominent feature of this work is the descent of the mountain ridge by a succession of single locks placed at sufficient distances from each other to admit the passing of vessels without detention, or the hazard attending a combination of locks. The harbor is in a state of forwardness, and will be commodious, extensive, and safe.

DAVID THOMAS,

Principal Engineer.

St. Catharines, 6 mo. 13th, 1826.

AUGUST, 11th 1826.

To the President and Directors of the Welland Canal Company.

THE SUBSCRIBER RESPECTFULLY REPORTS:

That the work on the line of the said Canal is continued with vigor.—From the estimates of the resident Engineers, it appears that more than *six hundred thousand* cubic yards have been excavated at the DEEP CUT, which is but little less than one half of the whole quantity required; and affords a well grounded hope, that this most important part, requiring the most labor on the least space, may be easily finished next season.

From the Deep Cut to St. Catharines, a distance of 8¼ miles, nearly *two hundred and forty-one thousand* cubic yards of excavation and embankment have been completed.—Three lock and waste weirs, on this part of the line will soon be finished.

From St. Catharines to the harbor (nearly 5 miles) more than *one hundred and forty thousand* cubic yards have been excavated and embanked. This part of the line will probably be finished in two or three months. The west branch of the Twelve Mile Creek will serve as a feeder, and enable vessels, or rafts of timber for the contractors, to ascend from Lake Ontario, through three locks to this village.

No difficulty or obstruction has occurred. The value of the work done, well justifies the expenditure, and from the experience had during its prosecution, there is reason to believe that the contracts may be completed with few exceptions at the stipulated prices.

DAVID THOMAS,

Principal Engineer.

St. Catharines, August 11., 1826.

No. 7.

Proceedings of the Board of Arbitrators appointed under the Provincial Statute 4th Geo. 4th cap. 17th, to adjust certain differences between the Welland Canal Company and the proprietors of certain lands on the Line of the Canal.

ST. CATHABINES,

August 22d, 1826.

The Arbitrators having assembled, pursuant to notice, and the Directors and Agent of the Company on the one hand and the respective parties on the being present, the following Indenture of submission was prepared for execution:—

This Indenture, made the twenty-third day of August, in the year of Our Lord one thousand eight hundred and twenty-six, between Nathan Pawling, of the first part, James Gordon, of the second part, William May, of the third part, Robert Brown, of the fourth part, Peter May, of the fifth part, William Ball, of the sixth part, Jacob Ten Broeck, of the seventh part, John Ten Broeck, of the eighth part, Job Northrup, of the ninth part, Adam Gould, of the tenth part, Thomas Merritt and William Hamton Merritt, of the eleventh part, John Hainer, of the twelfth part, John Clendenning, of the thirteenth part, William Chisholm, of the fourteenth part, William C. Chase, of the fifteenth part, the widow Elizabeth Shipman, of the sixteenth part, Elias S. Adams, of the seventeenth part, William Sanderson, of the eighteenth part, the widow Isabella Stewart, of the nineteenth part, Jonathan Clendenning, of the twentieth part, Hannah Secord, of the twenty-first part, Francis Parnell, of the twenty-second part, Zachariah Rycart, by his Agent, George Havens, of the twenty-third part, John Soper, of the twenty, fourth part, Alexander Nickson, of the twenty-fifth part, Robert Detrick, of the twenty-sixth part, Oliver Phelps, of the twenty-seventh part, Jacob Ball, of the twenty-eighth part, Thomas Kerr, of the twenty ninth part, the widow Elizabeth Ball, of the thirtieth part, William Yule, of the thirty-first part, Peter Van Every, of the thirty-second part, Luke Carroll, of the thirty-third part, Jacob Bowman, of the thirty fourth part, George Marlatt, of the thirty fifth part, Andrew Wilson, of the thirty-sixth part, Hall Davis, of the thirty-seventh part, Jeremiah Atley, of the thirty-eighth part, Samuel Swayze, of the thirty-ninth part, Garrett Vandeburgh, of the fortieth part, John Carl, of the forty-first part, John Brown, of the forty second part, John TenBroeck, of the forty-third part, & "The Welland Canal Company," of the forty-fourth part. *Whereas*, by an Act of the Parliament of the Province of Upper Canada, passed the nineteenth day of January, in the year of Our Lord one thousand eight hundred and twenty-four for the incorporation of certain persons under the name of the said Welland Canal Company, it was amongst other things enacted, that the Directors of the said Company should have full power and authority to explore the country lying between the River Welland in the District of Niagara and Lake Ontario, and to designate and establish, and for the said Company to take, appropriate, have and hold, to and for the use of them and their successors, the line and boundaries of an intended Canal, with its necessary locks, tow-

ing paths, basons, and Railways, to connect the River Welland with Lake Ontario, and also to select such convenient sites for such and so many mills, manufactories, warehouses, and other erections as might be required by the said Company for the purposes thereof, and to purchase the same to and for the said Company, *Provided* that nothing therein contained should compel the owner of any mill-seat to sell, convey, or otherwise depart with the same to the said Company; and also that in case the owner or owners, occupier or occupiers of any mill seats on the line of the said Canal or within five hundred yards thereof, consider the same in any manner injured, or the value thereof in any way depreciated from the erection of rival establishments, or from any other cause growing out of the cutting and making the said Canal, and for the compensation of which no provision should be made by that Act, it should and might be lawful for the said Company, and they are thereby required to purchase the same at a fair valuation founded on an average of former years, to be ascertained by Arbitrators as thereinafter provided to ascertain the value of Lands and tenements to be purchased, or the amount of damages in any case sustained. And also that the Directors of the said Company should be, and they are thereby empowered to contract, compound, compromise and agree with the owners and occupiers of any land through or upon which they might determine to cut and construct the said intended Canal and appurtenances—either for the absolute purchase of so much of the said land as they should require for the purposes of the said Company or for the damages which he, she, or they should and might be entitled to recover from the said Company in consequence of the said intended Canal, &c. being cut and constructed in and upon his, her, or their respective lands.—And that in case of any disagreement between the said Directors and the owner or owners, occupier or occupiers aforesaid it should and might be lawful from time to time as often as the said Directors should think fit, for each owner or occupier so disagreeing with the said Directors either upon the value of the lands and tenements proposed to be purchased, or upon the amount of damages to be paid to them as aforesaid, to nominate and appoint one indifferent person, and for the said Directors to nominate and appoint an equal number of indifferent persons, who together with one other person to be elected by ballot by the said persons so named, shall be Arbitrators to award, determine, adjudge, and order the respective sums of money which the said Company shall pay to the respective persons entitled to receive the same—the award of a majority of whom shall be final. And whereas, also by a certain other Act passed in the thirtieth day of January last past, entitled "an Act to repeal parts of, and to explain and amend the several Acts of this Province relating to the Welland Canal Company"—it is amongst other things enacted that the value of any Mill Seat or tract of Land which the said Company should be authorised to purchase for the purposes of Machinery should be ascertained in case of disagreement by Arbitrators in the same manner as the value of Land is to be assessed through which the said Canal should pass—and that the said Arbitrators should be also empowered to decide whether the Mill Seat or site, or other machinery desired by the said Company is such as the person owning the same could be compelled to part with to the said Company, and that the said Arbitrators so to be appointed as aforesaid, should and might and they are thereby authorised and required in assessing the value of any lands or tenements, of any person or persons proposed to be purchased by the said Company, or the amount of damages to be paid by the said Company to any person or persons under the provision of the seventh clause of the said, first in part recited Act to take into their consideration the advantages likely to accrue as well as the injury or damage occasioned to lands or tenements by reason of the said Canal. And also that all matters of disagreement or dispute to be settled or determined by Arbitration, under the provisions of the said seventh clause of the aforesaid Act should be referred to Arbitrators as therein provided, so that the award or awards of such Arbitrators might be made, published and declared, on or before the first day of September now next ensuing. And whereas some disagreement hath taken place between the Directors of the said Company and the respective parties to these presents (the said parties to these presents respectively being the respective owners and occupiers of certain lands and tenements required by the said Company for the line and boundaries of the said Canal, and for sites for Mills, Manufactories, Warehouses and other erections, for the purposes therof,) both as respects the value of such lands and premises as the said Company is desirous of actually purchasing, as well as the damages which the said parties respectively may be entitled respectively to recover from the said Company in consequence of the said Canal and appurtenances, according to the provisions of the said in part recited Acts. And whereas for settling and determining the value of such lands, tenements, and premises, as well as such damages aforesaid, and all other matters between the said respective parties to these presents and the said Company to be settled, adjusted, and determined by Arbitration, according to the provisions of the said in part recited Acts, and the true intent and meaning thereof, the said parties to these presents have severally and respectively agreed to refer the same premises to Arbitration, and to nominate and appoint Arbitrators in that behalf, according to the purport, true intent and meaning of the said Acts. NOW this Indenture witnesseth, that in pursuance of the premises aforesaid, and for the purposes aforesaid the said parties to, and executing these presents have, and each of them respectively hath nominated, constituted and appointed their several and respective Arbitrators in the premises aforesaid as follows:—That is to say the said Nathan Pawling doth hereby nominate, constitute and appoint Henry Mettleberger as his Arbitrator, and the said Welland Canal Company do hereby nominate and appoint Grant Powell Esquire the Arbitrator of the said Company in the premises. The said James Gordon hereby nominates, constitues, and appoints James Clowes as his Arbitrator, and the said Company hereby appoint Alexander Wood, Esquire, as their Arbitrator in the premises aforesaid. The said William May her by nominates and appoints Chauncey Beadle as his Arbitrator, and the said Company hereby appoint Samuel Peters Jarvis Esquire, as their Arbitrator in the premises aforesaid. The said Robert Brown hereby nominates and appoints Abraham Nelles Esquire, as his Arbitrator, and the said Company hereby appoint James Black, Esquire, as their Arbitrator in the premises

aforesaid. The said Peter May hereby nominates and appoints Richard Woodruff as his arbitrator, and the said Company appoint James Black as their arbitrator in the premises aforesaid. The said William Ball doth hereby nominate and appoint Abraham Nelles as his arbitrator, and the said Company hereby appoint Grant Powell as their arbitrator in the premises aforesaid. The said Jacob Tenbroeck hereby nominates and appoints Thomas Butler, Esquire, as his arbitrator, and the said Company hereby appoint Crowell Willson Esquire, as their arbitrator in the premises aforesaid. The said Job Northrup hereby nominates and appoints Samuel Street Esquire, as his arbitrator, and the said Company hereby nominate and appoint Hon. J. B. Macaulay as their arbitrator in the premises aforesaid. the said Adam Gould hereby nominates and appoints George Ball as his arbitrator, and the said Company hereby nominate and appoint Samuel Street as their arbitrator in the premises aforesaid. The said Thomas Merritt and William H. Merritt hereby nominate and appoint Marshal Lewis as their arbitrator, and the said Company hereby nominates and appoints William Smith as their arbitrator in the premises aforesaid. The said John Hainer hereby nominates and appoints Samuel Street as his arbitrator, and the said Company hereby appoints Alexander Wood as their arbitrator in the premises aforesaid. The said John Clendenning hereby nominates and appoints Thomas Butler as his arbitrator, and the said Company hereby appoint Samuel P. Jarvis as their arbitrator in the premises aforesaid. The said William Chisholm hereby nominates and appoints Samuel Street as his arbitrator, and the said Company hereby nominate and appoint Alexander Wood as their arbitrator in the premises aforesaid. The said William C. Chase hereby nominates and appoints Henry Mettleberger as his arbitrator, and the said Company hereby nominate and appoint Grant Powell as their arbitrator in the premises aforesaid. The said Widow Elizabeth Shipman hereby nominates and appoints Samuel Street as her arbitrator, and the said Company hereby appoints Alexander Wood as their arbitrator in the premises aforesaid. The said Elias S. Adams hereby appoints Richard Woodruff as his arbitrator and the said Company hereby appoint John Willson Esquire, as their arbitrator in the premises aforesaid. The said Widow Isabella Stewart hereby appoints Richard Woodruff as her arbitrator, and the said Company hereby appoint Thaddeus Davis as their arbitrator in the premises aforesaid. The said Jonathan Clendenning hereby nominates and appoints Samuel Street as his arbitrator, and the said Company hereby appoint Alexander Wood as their arbitrator in the premises aforesaid. The said Hannah Secord hereby appoints Samuel Street as her arbitrator, and the said Company hereby appoints Alexander Wood as their arbitrator in the premises aforesaid. The said Francis Parnell hereby appoints Richard Woodruff as his arbitrator, and the said Company hereby appoint Thaddeus Davis as their arbitrator in the premises aforesaid. The said Zachariah Rykert hereby appoints George Havens as his arbitrator, and the said Company hereby appoint Hugh Willson as their arbitrator in the premises aforesaid.—The said John Soper hereby appoints George Havens as his arbitrator and the said Company hereby appoint Hugh Willson as their arbitrator in the premises aforesaid—the said Alexander Nickison hereby appoints Richard Woodruff as his arbitrator and the said Company hereby appoints S. P. Jarvis as their arbitrator in the premises aforesaid—the said Robert Dettrick hereby appoints Thomas Butler and the said Company hereby appoints Samuel P. Jarvis as their arbitrator in the premises aforesaid—the said Oliver Phelps hereby appoints Thomas Butler as his arbitrator and the said Company hereby appoint Samuel P. Jarvis as their arbitrator in the premises aforesaid—the said Jacob J. Ball hereby appoints James Durham as his arbitrator and the said Company hereby appoint Jacob Keefer, Esq., as their arbitrator in the premises aforesaid—the said Thomas Kerr hereby appoints Richard Woodruff as his arbitrator and the said Company hereby appoints Grant Powell as their arbitrator in the premises aforesaid—the said widow Elizabeth Ball hereby appoints Richard Woodruff as her arbitrator and the said Company hereby appoint John Willson as their arbitrator in the premises aforesaid —the said William Yule hereby appoints Richard Woodruff as his arbitrator and the said Company hereby appoint John Willson as their arbitrator in the premises aforesaid—the said Peter Van Every hereby appoints Richard Woodruff as his arbitrator and the said Company hereby appoint John Willson as their arbitrator in the premises aforesaid—the said Luke Carroll hereby appoints George Shaw as his arbitrator and the said Company hereby appoint James B. Macaulay as their arbitrator in the premises aforesaid—the said Jacob Bowman hereby appoints Samuel Theal as his arbitrator and the said Company hereby appoint John Warren, Esquire, as their arbitrator in the premises aforesaid—the said George Marlatt hereby appoints George Lacey as his arbitrator and the said Company hereby appoint Robert Nelles as their arbitrator in the premises aforesaid—the said Hall Davis hereby appoints Samuel Street as his arbitrator and the said Company hereby appoint Alexander Wood as their arbitrator in the premises aforesaid—the said Jeremiah Atley hereby appoints William McClellan as his arbitrator and the said Company hereby appoint Thaddeus Davis as their arbitrator in the premises aforesaid—the said Samuel Swayze hereby appoints Samuel Street as his arbitrator and the said Company hereby appoint Alexander Wood as their arbitrator in the premises aforesaid—Garrett Vandeburg hereby appoints John Hill as his arbitrator and the said Company hereby appoint Edward McBride Esquire, as their arbitrator in the premises aforesaid—the said John Carl hereby appoints John Hill as his arbitrator and the said Company hereby appoint Thaddeus Davis as their arbitrator in the premises aforesaid—the said John Brown hereby appoints Samuel Street as his arbitrator and the said Company hereby appoint Alexander Wood, Esquire, as their arbitrator in the premises aforesaid—the said William Sanderson hereby appoints Richard Woodruff as his arbitrator and the said Company appoint Samuel P. Jarvis as their arbitrator in the premises aforesaid,—And the respective parties to these presents respectively do hereby covenant, promise, and agree, well and truly to stand to, obey, abide by, observe, perform, fulfil, and keep the award, order, arbitrament, and final determination of the said above named arbitrators and the persons to be appointed by them pursuant to the said Act first above recited or the majority of them according to the terms and provisions of the

said Act touching and concerning all and every such matters and things respectively herein before mentioned as shall be submitted to the said arbitrators under the provisions of said in part recited Acts, and be in difference between the said parties to these presents respectively and the said Welland Canal Company—it hereby being fully declared, understood and agreed by and between the parties to these presents respectively that (without any separate or specific explanation thereof by and in this submission) that all matters of disagreement or dispute by and between the said respective persons, parties, to and executing these presents and the said Company to be settled is determined by arbitration according to the provisions of the hereinbefore in part recited acts of what nature or kind soever shall be and are hereby agreed to be referred to the arbitrators hereinbefore appointed and the person to be appointed by them according to and in compliance with the provisions of the said in part recited Acts and the true intent and meaning thereof.—And it is also agreed by and between the said parties to these presents that these presents and the submission hereby made of the premises aforesaid shall be made a rule of His Majesty's Court of King's Bench for the Province of Upper Canada, pursuant to the statute in that behalf.

In witness whereof the parties to these presents have hereunto respectively set their hands and seals, and the said Company the seal of the said Company, the day and year first above written—and the undersigned Directors have hereunto also put their respective hands on the part and behalf of the said Company.

Garret Vanderburg,	[L. S.]	Isabella Stewart,	[L. S.]
William May,	[L. S.]	Hall Davis,	[L. S.]
his		Jon. H. Clendennen,	[L. S.
Robert ⋈ Brown,	[L. S.]	Jeremiah Adley,	[L. S.
mark		F. G. Parnell, by Wm. E. Parnell	[L. S.
his		Alex'r Nickerson,	[L. S.
Peter ⋈ May,	[L. S.]	Robert Dittrick,	[L. S.
mark		Oliver Phelps,	[L. S.
his		Jacob J. Ball,	[L. S.
Jacob ⋈ TenBroeck	[L. S]	Thomas Kerr,	[L. S.
mark		Wiliam Youell,	[L. S
John TenBroeck,	[L. S.]	Luke Carrell,	[L. S.
J. Northrup,	[L. S.]	his	
Adam Gould,	[L. S.]	Jacob ⋈ Bowman,	[L. S.
Tho's Merritt, & Wm. H. Merritt,	[L. S.]	mark	
John Cleudennen,	[L. S.]	George Marlatt,	[L. S.
W. Chisholm,	[L. S.]	Samuel Swayze,	[L. S.
Wm. C. Chace,	[L. S.]	his	
John Brown,	[L. S.]	Andrew ⋈ Willson,	[L. S.
Wm H. Sanderson,	[L. S.]	mark	

For the Welland Canal Company.

Directors, John H. Dunn, *Pres't,* John Clark, Wm. H. Merritt, George Keefer,

Canal Welland Company Upper Canada L S

Witnesss to signature of Peter May,		John Cairl,	[L. S.]
		his	
		Peter ⋈ May,	[L. S.]
		mark	
John G. Spragg.		N. Pauling,	[L. S.
		his	
Witness to the Signature of John Hainer,		John ⋈ Soper,	[L. S.
		mark	
William Merritt.		John Hainer,	[L. S.

We the undersigned arbitrators within named by this memorandum in writing, under our hands made before entering upon the within mentioned arbitration, ballotted for an indifferent person according to the act in that behalf, and the Honorable Thomas Clark upon such ballot being appointed, we do hereby nominate and appoint the said Thomas Clark the person to whom, together with ourselves, the said within mentioned matters in difference between the parties within respectively mentioned shall be referred according to the statute in that behalf.—In witness whereof we have hereunto set our hands, this 23rd day of August, 1826.

A. Nelles.	Crowell Willson,
T. Butler,	Samuel P. Jarvis,
Samuel Strcet,	James Black,
Geo. Ball,	J. B. Macaulay,
Marshal Lewis,	Wm. Smith,
Richard Woodruff,	Jacob Keefer,
James Durham,	Robert Nelles,
George Shaw,	Thaddeus Davis,
James Theal,	Edward McBride,
George Lacey,	Alexander Wood,
H. Mittleberger,	J. Warren,
John Hill,	G. Powell.
Wm. McClellan,	

Upper Canada, District of Niagara. } Be it remembered that on the twenty third day of August, in the year of our Lord one thousand eight hundred and twenty six, before me George Adams, Esquire, one of His Majesty's Justices of the Peace, in and for the said District of Niagara,

PERSONALLY APPEARED,

Abraham Nelles,	Samuel P. Jarvis,
Thomas Butler,	James Black,
Samuel Street,	Crowell Willson,
George Ball,	James B. Macaulay,
Marshal Lewis,	William Smith,
Richard Woodruff,	Jacob Keffer,
James Durham,	John Warren,
George Shaw,	Robert Nelles,
Samuel Theal,	Grant Powell,
George Lacey,	Thaddeus Davis,
Henry Mettleberger,	Edward McBride,
William McClellan,	Alexander Wood,

(John Hill, affirmed.)

Arbitrators appointed under the authority of an Act of the Parliament of this Province, passed the nineteenth day of January, in the year of our Lord 1824, for the incorporation of certain persons under the name of "The Welland Canal Company," and each of them for himself, before me, took the following Oath in pursuance of the said Act.

I do swear that I will according to the best of my judgment well and truly assess the damages between the parties on behalf of whom I am an Arbitrator, under the provisions of the Statute of the Province of Upper Canada, passed the nineteenth day of January, in the year of our Lord one thousand eight hundred and twenty four, entitled "An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company."

(Signed,) So help me God.

Geo. Adams, J. P.
Grantham.

The undernamed Arbitrators having been duly appointed under the Welland Canal Act, and having met at St. Catharines, the 23rd August 1826, took the Oath required by the Statute, before George Adams Esquire, when they proceeded to ballot for a colleague, according to the terms of the Act, and thereupon appointed the Honorable Thomas Clark, to whom a communication was forthwith despatched.

Grant Powell, Esq. being appointed to preside pro. tem., it was *Resolved*, that the Umpire should preside on his arrival, and

Resolved, That Mr. Macaulay do act as Secretary, and that the Arbitrators do now adjourn till ten o'clock tomorrow morning, at which time Mr. Clark is expected to attend.

ARBITRATORS PRESENT.

1. Abra'm. Nelles, Esq.	1. Saml. P. Jarvis,
2. Thomas Butler,	2. James Black,
3. Samuel Street,	3. Crowell Willson,
4. George Ball,	4. James B. Macaulay,
5. Marshall Lewis,	5. William Smith,
6. Richard Woodruff,	6. Jacob Keffer,
7. James Durham,	7. John Warren,
8. George Shaw,	8. Robert Nelles,
9. Samuel Theal,	9. Grant Powell,
10. George Lacey,	10. Thaddeus Davis,
11. Henry Mittleberger,	11. Edward McBride,
12. John Hill,	12. Alexander Wood,
13. Wm. McLellan,	

Hon. THOMAS CLARK.

THURSDAY, 24*th August* 1826.

The Arbitrators met—all present.

Mr. Street reported that Mr. Clark had not returned to this District, and that he could not therefore be served with notice of his appointment.

Mr. Warren moved that the Arbitrators present should proceed to business, there being a majority of the whole—seconded by Mr. Crowell Willson.

Carried nem. con.

Mr. Jarvis proposed that a set of general interrogations should be drawn up for each owner and witness, to be propounded through the Chairman—and that all questions should be put through the Chair—seconded by Mr. Macaulay.

Carried.

The following interrogatories were then adopted—

1. What is the number of your Lot and of the Concession?

2. What quantity thereof is required for the Canal?

3. What is the nature of the Land—wild or cleared?

4. What is the nature of the soil?

5. In what proportions or how is the Lot or parcel of Land owned by you, separated or divided by the Canal?

6. How long have you been occupier of, and what price did you give for the premises?

7. At what do you value your Lot per acre at present?

8. At what sum did you value it 5 or 6 years ago?

9. At what sum did you value it when the Canal was at first projected in 1824?

10. Has the Canal added to the value of your Lands—that is, could you in consequence of the Canal obtain a higher price for it than you could have done had the Canal not been undertaken?

11. Has the Canal been of any advantage to your Land, if so in what respect and to what extent?

12. Has the Canal been of any disadvantage to your lands—if so, in what respect, and to what extent?

13. Do you apprehend any disadvantage from the Canal not yet experienced—and if so, explain in what respect and to what extent?

14. Are the disadvantages so great to you that you would prefer the route of the Canal being changed rather than its following the present line assuming that you were to obtain no other remuneration for your property than the advantages which might accrue from the Canal?

15. Do you as a general question consider property situated on the banks of a Canal or other navigable water of more or less value than lands of similar quality in situations more remote—say retired from 10 to 12 miles?

16. If your land is divided by the Canal what do you suppose it would cost you to erect and keep in order a bridge over it or otherwise by means of a boat or scow to connect the farm?

17. Does the Canal by raising the waters upon low or marshy lands in the vicinity of your premises improve the health of the situation and thereby prove beneficial to you?

18. Did you before the projection of this Canal consider lands of similar quality on the Niagara River or near the town of Niagara, of greater value than lands on the 12 mile creek, and if so, why?

19. Will the Canal enable you to irrigate any of your lands—and will you enjoy advantages thereby?

20. Do you consider the advantages of the waters of a navigable Canal passing through your farm equivalent to the loss of soil occasioned there by?

21. Is your farm well supplied with water independent of the Canal?

22. What distance have you hitherto in the dry seasons of the year had to drive your cattle for water?

23. Can you obtain a supply of water more conveniently since the Canal has passed through your farm?

24. Have you any springs on your farm contiguous to the Canal, and will they be injured or entirely destroyed by the rise of water?

25. Did you petition for or remonstrate against the Canal originally,—and if so would you have done so had it been at first designed for sloop navigation?

26. Are you disposed to sell to the Company that part of your farm cut off by the Canal? and at what rate?

Mr. Macaulay moved, seconded by Mr. Crowell Willson, that the arbitrators should view the several

parcels of land, &c., to be arbitrated upon, and examine the owners, or occupiers as well as the agent of the Company and any witnesses produced upon the premises respectively.

Carried.

Mr. Jarvis moves, seconded by Mr. Butler, that the Arbitrators should proceed to the Dalhousie Harbor to enter upon their duties.

Carried.

The Arbitrators then proceeded to explore the line of the Canal from Dalhousie Harbor to St. Catharines and examined Mr. Pawling and Mr. Brown.

NATHAN PAWLING *sworn by* A. NELLES, ESQ.

The Interrogatories being put, deponent answered as follows :—

1. Lot No. 1, part of broken front or 1st Concession Grantham.

2. Supposes 40 acres.

3. Covered with water principally—all but that required for the Lockage.

4. Soil of the dry part principally sand excepting a part of the Hill removed to make embankments.

5. About 8 acres of sandy beach divided from the arable land not fit for cultivation.

6. Has resided on the premises about 9 years—received of his father.

7. Has sold some of the upland adjoining the lock from 140 to 800 dollars per acre.

8. Valued at about 10 or 15 dollars an acre—would have asked more for a small piece than a quantity.

9. At 10 or 15 dollars taking the farm generally.

10. Certainly could obtain a higher price for it although he has never offered to sell the whole in a body.

11. Has been of great advantage—has raised the price of the land a good deal, cannot say to what extent.

12. Has taken off a small portion of the land, but otherwise of great advantage.

13. He does not.

14. Certainly not.

15. If not much injured by the Canal must be of advantage.

16. Does not apply to his premises.

17. He thinks so.

18. He believes generally considered so because nearer a market.

19. No.

20. He does.

21. It is.

22. The same as at present—to the lake.

23. Not applicable.

24. One or more—one frequently used.

25. Did not originally petition, but was always a warm supporter of it. Does not know that his interest would be affected by one kind of navigation more than another. Probably a boat navigation would be of most advantage to his property.

26. If used for buildings, &c. for the Company, has no objection to sell at a fair valuation all required. As to the eight acres not disposed to sell, except such as may be actually required for the Company—supposed to be about half an acre—that is, less than an acre.

ROBERT BROWN *sworn.*

1. Cannot tell—is composed of broken fronts and bound by the channel of the creek.

2. Supposed to be upwards of 50 acres—none is required for the construction of the Canal, but overflowed by back water.

3. Marsh and meadow—more than half marsh.

4. Rich meadow to a certain extent.

5. The back water will cut off 26 acres of wild land susceptible of cultivation; also another piece of 36 acres—the first piece, called the island, is sometimes surrounded when the marsh is high.

6. Six years. Exchanged for a farm on the 10 Mile Creek, receiving $65 to boot—valued it at about $3000.

7. Has never fixed any value—would not take $150 an acre for his meadow land.

8. Offered to sell it for £1000 currency at that time.

9. Has lately offered it for $400, sensible the Canal will be of disadvantage.

10. Thinks he cannot get as much—Canal has not added to the value of the land.

11. No.

12. Had to open a lane for a road to the harbour. Had to throw down fences, and thereby a part of his upland is yet common. The exposure of the fields has caused loss of apples, &c. Now has orchard secured. Fences moved by neighbors at a bee. Cannot say what his damage is—lost 200 bushels apples Does not think he would have cultivated the land now common. Paid $10 for making rails.

13. No—except the overflowing already spoken to.

14. Would rather the Canal should go in another direction.

15. Personally he would rather live from off the line of the Canal.

16. Can form an idea—supposes £25 would make a good permanent bridge to the island. Could not for £100 make the other.

17. Thinks he will be injured—that lands now dry will be made marshy, and oblige him to erect his new house in a different place from that he originally intended.

18. He would rather have a farm of equal value on the 12 Mile Creek.

19. No.

20. No.

21. Yes—has very good springs.

22. None.

23. No.

24. Has springs, but they will not be affected.

25. Was neither for nor against it.

26. Yes—whatever it was worth—say £5 an acre. To a question of Mr. Merritt's, says, if the water is embanked out of the meadow, he, of course, claims no damage for the land so secured.

The arbitrators having explored the line of Canal from the Harbour to St. Catharines—

Adjourned till eight o'clock, A. M., of the morrow.

FRIDAY, *August* 25, 1826.

The Board of arbitrators met.

ABSENT:

William M'Clellan and Jacob Keefer, but who afterwards joined the Board.

The Arbitrators proceeded to examine claimants.

ADAM GOULD *sworn.*

1. Does not know.

2. Six acres of meadow, and another small tract.

3. Meadow land.

4. Ditto.

5. The lot is not divided, but a part of the front is taken.

6. Inherits the lot—owned it about a year.

7. Never fixed a price—values meadow at $125 per acre.

8. Cannot say what his father then valued it at.

9. Did not then own it.

10. It has not—does not think it would sell for so much now as if the Canal had not passed by it.

11. No.

12. It has deprived him of the meadow above mentioned. Does not know whether the water will be equally accessible.

13. Loses the pasture, and apprehends about two acres of meadow more will be overflowed. Has this year been deprived of a field on the side hill—about ten acres—the want of it considerable damage—intended for pasture—expects another field (meadow) to be opened for drawing timber—has another pasture—has 30 head of cattle he thinks—estimates his damages by loss of side hill field at $40—cattle run in the woods and are not in as good condition as they would have been had he not been deprived of his pasture.

14. Would prefer its going in another direction—does not see that the Canal is of any benefit to him.

15. Does not think a navigable water would enhance the value.

16. Not applicable.

17. No.

18. Cannot say.

19. Not applicable.

20. No—could take flour in boats before.

21. Yes.

22. Not applicable.

23. No.

24. No.

25. Did not petition—believes his father did not—he disapproved of it.

26. Not applicable.

General—The meadow used to yield two tons an acre—never took to market—average price of hay $10—could not fence in the field—hill was 100 steep.

JACOB TEN BROECK *sworn.*

1. Part of 22 and 23—3rd Concession Grantham.

2. About 40 acres, including lands likely to be damaged.

3. Meadow.

4. Ditto.

5. There are two farms, and the communication will be cut off—he owns one farm and his son the other—live together—he lives on his son's farm.

6. Possessed by the family since 1783—Inherited by witness both farms.

7. Values his farm (265 acres) at $6000.

8. At the same sum.

9. Ditto do.

10. Would sell it for less now than before—loses so much meadow.

11. None.

12. Deprives him of meadow—lost the use of it this summer, owing to the making of the tow-path—three acres damaged—each acre usually yielding from two to three tons—the field generally, yielded less than usual by six or eight tons—could get £15 per ton for hay at present—old price $10 per ton, average, by taking it to Fort George.

13. Answered in above.

14. Would rather have the line changed.

15. Does not know it would make any difference.

16. Could not build a bridge for less than $2,000 he thinks—which sum he could not afford.

17. Thinks it would rather be more unhealthy.

18. Did not.

19. No.

20. No.

21. Yes.

22. None.

23. No.

24. Some may—has very few springs—thinks they will be destroyed—freshets did not injure them—springs on his son's farm.

25. Did neither one nor the other.

26. Not applicable—told Mr. Merritt that he would sell a piece cut off by the Canal for $100, about 12 acres of pasture land, not meadow.

JOHN TEN BROECK, *sworn.*

1. Part of 22 and 23—3d and 4th concession Grantham—155 acres.

2. Cannot say—Mr. Merritt says three acres arable land.

3. Meadow cleared.

4. Ditto.

5. Not divided—a piece cut off in front.

6. Gave $4,500 for the farm, bought from Mr. Butler.

7. Is willing to take what he gave for it.

8. Has only owned it three or four years.

9. The same as at present.

10. Has not been offered any higher price—does not think he could sell it for more than he gave for it.

11. No advantage that he knows of.

12. No other disadvantage as yet, except that in last March he had some wheat destroyed—not quite four acres—estimated at 30 bushels an acre.

13. Answered in last.

14. Would rather the Canal were changed than lose his land.

15. Cannot answer.

16. Not applicable.

17. Cannot answer.

18. Ditto ditto.

19. Inapplicable.

20. No.

21. Inapplicable.

22. Ditto.

23. Ditto.

24. Cannot say—has springs, but does not know whether they would be injured.

25. Had nothing to do with it.

26. Considers that the Canal takes all the first cut off—the meadow land yields about 2½ tons hay per acre—would rather keep the land taken by the Canal than accept $100 an acre for it.

The arbitrators then explored the line of the Canal from St. Catharines to the Chippewa, and

Adjourned till the morrow.

SATURDAY, *August* 26, 1826.

ABSENT:

Thomas Butler and John Warren.

JOHN CARROLL, *sworn.*

1. No. 186—100 acres—and No. 203—also 100 acres—in Thorold—also a broken front.

2. Cannot say, but crosses the lot length-ways—(60 acres.)

3. Principally wild.

4. Similar to the general soil of the country—hard timber land—it lies where the deep cutting is.

5. The line takes a part of each lot, and leaves a stripe on each side of the Canal.

6. Drew the land from the Crown—occupied many years.

7. Never fixed any value upon it.

8. Never valued.

9. Ditto.

10. Does not know wherein—has taken land and timber from him.

11. No.

12. Has caused a great deal of trouble to him from the thoroughfare, &c.

13. Nothing more than the future loss of timber.

14. Yes, would have been well pleased if 50 miles off.

15. It seems reasonable that a convenient water carriage should enhance the value of lands—but he already enjoyed that advantage by the Chippewa.

16. It would cost a great sum—but if the public road is kept up he would not require any.

17. Waters not raised—no lands drained—at present some land is covered by an embankment stopping the water—hereafter to be removed.

18. Should think land on the Niagara of less value than on the line of the Canal, because he could have himself obtained land there—thinks the land better.

19. Not applicable.

20. No.

21. Not applicable.

22. Ditto.

23. Ditto.

24. Ditto.

25. No.

26. Not disposed to sell any—wishes to keep all not required for the Canal.

JEREMIAH ATLEY, *sworn.*

1. No. 96 in Thorold, 100 acres.

2. Mr. Merritt says 3 1-5 acres, including the corner.

3. Cleared land.

4. Good soil—interval land—meadow.

5. A corner, cut off about 3½ acres—divided off.

6. $1,000 about five years ago—has since built cider house upon it and repaired barn.

7. Cannot say.

8. $10 an acre—would take £5 per acre for the whole—but not even $100 for a single acre of the land required by the Canal.

9. Does not know—never estimated it.

10. Not a cent—of no benefit to him.

11. No.

12. Yes—a great deal—fruit and fence (300 rails) all destroyed—a thoroughfare about the place, &c. —would not have suffered all for $100—ten acres lay out in common last year—meadow ground, owing to the Canal—is now fenced.

13. Not that he knows of.

14. Yes—would rather have it away from his premises.

15. Does not know—is not going to trouble his head about it.

16. The public bridge will dispense with the necessity of a private one.

17. The banks of the Canal cause the accumulation of ponds of water in rainy weather.

18. Knows nothing about the value of lands, &c.

19. Not applicable.

20. No.

21. Yes—had two creeks.

22. Had plenty of water on the farm.

23. Always had plenty of water on the lot.

24. No.

25. Petitioned against the new route—one route did not affect witness' property more than another.

26. Not if he could help it.

Mr. Simpson offered $150 for it—does not think he would have done so had it not been for the Canal.

To a question of Mr. Merritt's, witness says he was not against the Canal at first—had agreed to give up his property—but the enlargement of the Canal is injurious.

Matthias Misner, *sworn*, as a witness for Mr. Brown, who was prevented by illness from attending.

1. Does not know—joins Mr. Carroll—is on the Chippewa 280 acres.

2. Mr. Merritt says about 12 acres.

3. Bottom land excellent—some marsh.

4. Ditto ditto ditto.

5. Is cut angling across a corner—cutting off about 30 acres—a creek originally run in the direction of the Canal—straitens the creek—*i. e.* crosses its windings frequently.

6. Occupied three years—price unknown.

7. A farm of 100 acres adjacent lately bought for between $6,00 and $7,00—supposed to be too low a price—worth about $1,800 in its present state.

8. Worth £900 N. Y. currency—$2,250 and upwards.

9. Worth about $2,250.

10. No.

11. Does not consider it so.

12. In its present situation not of so great an injury—but in respect to the original route a deep cut was made near the barn for tunnelling—also the principal part of the good timber on the land was cut down—a quarter of an acre dug up and soil thrown on adjacent land—80 or 90 acres improved leaving 190 or 200 acres of timbered land. The strip of the old route contained the principal part of the good timber —pine, oak, &c.,—length or breadth not known.

13. None.

14. Cannot say—Has heard him wish it had not come near him.

15. Of more value.

16. The public road will keep up the communication.

17. Inapplicable.

18. Cannot say—should prefer the one nearest the market.

19. Inapplicable.

20. Does not know but that it would—does not think the present farm so far improved considering its situation.

21. Not applicable.

22. do.

23. do.

24. do.

25. Does not know.

26 Does not know—never heard it valued.

Samuel Swayze, *sworn*.

1. Thinks No. 97 in Thorold between Vandeburgh's and Atley's—100 acres.

2. Cannot tell—Mr. Merritt says about 12 acres.

3. About 70 acres cleared—80 acres woodland.

4. Ordinary soil of the country—some meadow where canal passes—some of it.

5. Runs lengthways of the lot—comes in at the South end and runs towards the North end.

6. Paid $1250 four years ago.

7. Would not take less than it cost—would take that if paid for its use.

8. At $1250—the place has been sold for $1500—has good buildings on it.

9. Would not take short of $1500.

10. Does not know but he could.

11. None at all.

12. Thrown him out of the use of it since the Canal commenced—fences kept open—timber nearly all destroyed—18 acres of wheat sown, destroyed—Canal goes through timbered land—did not cut wheat enough to pay for harvesting and seed.

13. Will be kept out of the use of his land still—some places will be overflowed—some at present overflowed might be drained at some expense—Canal stops the channel of some creeks running towards the Canal—10 or 12 acres drowned.

14. Would rather it had not touched his place.

15. Would consider land nearest a market most valuable.

16. A public road keeps up communication.

17. No.

18. Does not know that he did.

19. Not that he knows of.

20. No.

21. Yes.

22. Never off the farm.

23. No.

24. Had two springs close to the house, which will be destroyed at bottom of the Canal.

25. No neither.

26. Would rather sell the whole.

ANTHONY UPPER *called by the Agent of the Company—sworn, says—*

He owned a lot adjoining Mr. Brown's; 100 acres; sold it to Mr. Lampman who sold to Mr. Dunn; witness deeded it to Mr. Dunn; sold to Lampman 3 or 4 years ago or more at $300. The Canal had been in contemplation but witness supposed abandoned again or he would not have sold it so low; took produce as 3s. 9d. a bushel—wheat. Thinks Lampman sold it for $600. It was said Mr. Lampman was going to be troublesome about the timber, and therefore purchased it; Lampman had exchanged the lot with one McPherson, but writings not being drawn Lampman (the canal being established) refused to adhere to his bargain. Witness considers the canal passing through land of advantage; considered it so much so that he would have given the land required and some hundreds of dollars to have it pass through his lands; passes within a short distance of his land now; 150 or 200 yards from his line; a lot near the Deep Cut, 40 acres cleared, rented for 50 and 40 dollars a year. Thinks Vandeburgh's farm ruined as a farm; had some improvement; a snug house; lies on a road; would not before the projection of the canal have given more than $800 for it; is 100 acres. There is a lot between the lot sold Lampman and the Welland. Land tolerably good; thinks the soil on the Welland better timbered; thinks Brown's land better timbered than Lampman's. Would value his own property at from 15 to 20 dollars an acre.

HALL DAVIS, *sworn.*

1. No. 90 he thinks—joins Atley's.

2. Mr. Merritt says 20 acres.

3. Half improved, half cleared.

4. Cleared land, chiefly meadow.

5. Commences near South East angle—angles towards centre—then Northing, making an elbow with middle of lot,

6. Owned 24 or 25 years—purchased wild at $3¾ an acre.

7. Valued it at £5 an acre—has been offered more for it.

8. About £5 an acre.

9. In 1824 lands were lower than some years before.

10. Thinks the canal a benefit as respects price—would think a farm situated on the banks of a canal would bring a better price.

11. No other advan-age than the general value of property being enhanced.

12. Has deprived him of the use of some part—has had additional fencing to do—has had rails burnt—expended two thousand rails last year—the canal workmen burnt them.

13. None excepting the future division of a part of the timbered land which will not be so accessible.

14. The canal cuts up the farm and injures it of course as a farm—but it enhances the value of the land left as also other property owned by witness. Would give up the land required rather than the canal should fail as a matter of public spirit, but cannot say whether the land left will be raised in value equal to that part lost.

15. He does.

16. Is near a highway and expects a communication without the expense of a private one.

17. Not applicable.

18. Cannot say.

19. Does not anticipate any advantage that way—will lose springs and perhaps get some water by canal.

20. Does not know—it may be so—should not think so had he no other than the one lot.

21. Pretty well—had two good springs.

22. Inapplicable.

23. Does not know that he can.

24. The springs will be lost, but replaced by canal water.

25. Was anxious, and petitioned for it.

26. Would as soon keep it.

ANDREW WILLSON *sworn.*

1. No. 74 Thorold—100 acres.

2. Mr. Merritt says about 17 acres.

3. All cleared except a small corner.

4. Ordinary soil of the country—upland and meadow.

5. Nearly through the middle lengthways.

6. Nearly 17 years—willed to him.

7. Once agreed to sell it for £250 currency, shortly before or during the war.

8. Did not value it.

9. About the same as before.

10. Does not think it has—has had no higher offers.

11. None.

12. Has caused a field to be thrown open this season—others will be opened in the progress of the work—about 25 acres should have been mowed this year.

13. Not further than the opening of his farm and division of his lot.

14. The disadvantages have not been so great as yet—would as lief have it six miles off—would rather have no canal than give the land required for it.

15. Thinks the Canal would enhance the value of land.

16. There is an allowance for road between his lot and another—and if a bridge erected over it would be accessible—but at much inconvenience—will have to cross McLellan's land.

17. Not applicable.

18. Does not know.

19. Does not know.

20. Already answered.

21. Yes.

22. Not applicable.

23. No.

24. No.

25. No.

26. Yes—would take $12½ per acre.

The buildings on the lot are indifferent—about a dozen fruit trees.

GARETT VANDERBURGH *sworn.*

1. No. 142, Thorold—100 acres.

2. About 40 acres.

3. 20 acres cleared land—some wild—all the timber taken.

4. Common soil of the township.

5. Lengthways—all west side cut off.

6. 17 or 18 years—inherited.

7. Offered the land wanted to Mr. Merritt at £5 an acre—does not want to sell the residue.

8. Not valued.

9. Not valued.

10. Is a damage to him—rents a quarter of an acre at £5 a year on the Deep Cut.

11. No—has been a positive damage.

12. Yes—destroyed his farm—lost 21 apple trees—had to yield 15 or 18 tons of hay—rents a piece at £12 10s. a year to one Hunt.

13. No—There is a pond of water in front of his place at present.

14. The canal is no accommodation to him.

15. Does not answer.

16. Not applicable.

17. do.

18. Not asked.

19. Not Applicable.

20. Already answered.

21. No—merely a well.

22. Always had plenty of water (well water) on the farm.

23. No.

24. No.

25. No—but was always for it.

26. No.

Lost a quantity of rails—had 4 acres of wheat destrowed last year—had also potatoes destroyed by the workmen.

GEORGE MARLATT.

1. No. 50 & 32, Thorold—200 acres.

2. Mr. Merritt says about 20 acres.

3. All cleared.

4. Upland and meadow land—usual soil—14 or 15 acres good meadow land, an acre yielding on an average a ton.

5. About 24 years—purchased at different times—where the basin is, and similar land, paid nearly £5 currency an acre—was wild, i. e. a little improved, and but a little.

6. Runs irregularly through No. 50 and curves upon No. 32—taking but a little of No. 32;—32 may however be overflowed—cannot yet tell.

7. Would not sell the land taken by the Canal at £12 10s. an acre.

8. Not valued.

9. Not valued.

10. Does not know—not offered a higher price—has not offered to sell.

11. No.

12. Has had to make fences to the amount of £26 N. Y. currency, as per bill given in—the banks of canal will cause in many places stagnant water, unless drained—may produce sickness.

13. Would rather have had the Canal off his premises.

14. Would rather have no Canal.

15. Of little consequence as applied to this part of the country.

16. The public Bridge will keep up the communication, but witness will have to travel a quarter of a mile or so to cross it.

17. Some Land will be overflowed and thereby the premises may be rendered more unhealthy.

18. More valuable near Niagara he should think.

19. No.

20. No.

21. Yes.

22. Water on Farm abundant.

23. No.

24. Not if a Culvert projected is erected, otherwise a Spring will be lost.

25. Did not interfere, would have petitioned against Canal for Sloop Navigation passing through his Lot.

26. Not at present.

[Questioned by Mr. Merritt.]

Nine years ago purchased 6 acres at $110, at the corner of the Beaver Dam roads × roods. Purchased lot No. 32 three years ago—paid £2 an acre for the whole lot—never offered any specific price for piece cut off—would not have sold a corner acre for $ before the Canal.

Luke Carroll, *sworn*.

1. ½ of No. 29 or 30—50 acres Thorold, he believes.

2. Mr. Merritt says 16¼ acres,

3. Meadow Land.

4. Do Do.—black soil.

5. Passes through East and West, leaving more on the North than the South side.

6. Ten years—paid £6 5s. an acre for the 50 acres, including buildings——a snug house and log barn.

7. Values land taken from him at £12 10s. an acre, so appraised by nieghbours—Apple trees $7 each and Pears.

8. The price given above mentioned.

9. Has offered to sell the place lately for $1500, before Canal was talked of—asks no more now.

10. Cannot sell it at all now—a person refused to purchase it because the Canal passed through it.

11. Cannot say.

12. Has caused the loss of all his Crops this year—the Cattle of the working parties are let in &c. &c. Has lost his Corn, Potatoes, Oats—4 acres of Corn, ½ of Potatoes, 4 of Oats.

13. Not at present—the lot is divided—apprehends the water will run or leak into his cellar.

14. Yes.

15. Thinks the Canal will benefit many lots very much—but not his.

16. Is to lose 20 apple trees, cut away or destroyed on the line of the Canal—an equal number of pear, peach, and cherry trees, 1 walnut tree. It is said a proper Bridge would cost £100—will have no public Bridge—about 20 acres divided off by Canal including land covered by water of Canal—making 6 or 7 acres cut off.

17. Not applicable.

18. Cannot say.

19. Does not think it will.

20. No—would not give a dollar for the Canal, but 200 to get rid of it.

21 It was.

22. No.

23. There will be more water—but of no use to witness.

24. A Well will be filled up by Tow Path—no other Spring—the Spring or Well is walled up 12 feet.

25. No—was favorable towards it.

26. No.

Adds.—He will lose a pear tree that he would not take $40 for. Wants to keep the piece cut off for woodland and sugar bush. Rents his place at £15 a year—never let before Canal talked of.

William Youall, *sworn*.

1. No. 16, Thorold—90 acres.

2. 3 or 4 acres.

3. Wild land.

4. Ordinary soil of Township.

5. Cuts 4 or 5 acres off the South corner.

6. A year—paid $6½ per acre for it.

7. With improvements values it at $15 an acre

8. Nothing.

9. No.

10. Has added to the value of the land—could obtain a higher price.

11. No advantage except in enhancing the value in his mind.

12. Has suffered from depredations of workmen—timber taken by men—inconvenience only temporary.

13. No further than as above stated.

14. No—would rather the Canal go as it does at present.

15. He does.

16. Not applicable.

17. Do.

18. Do.

19. Very little.

20. Yes—as applied to his estate.

21. None without digging for it.

22. Had to drive to Mr. Keefer's ¼ of a mile—but has a Well now.

23. Yes.

24. No superficial ones.

25. Petitioned for it.

26. Not disposed to sell the part cut off—four or five acres—Thinks the Canal will be the means of enhancing its value—is near the commencement of the locks.

The Board of Arbitrators adjourned.

MONDAY, 28*th August* 1826.

The Board of Arbitrators met.

ABSENT.

George Shaw, Crowell Willson, and John Warren.

PETER M. BALL appeared before the Board on behalf of the Estate of the late Jacob Ball, to which he is Administrator, and said that the widow Ball and himself were willing to go to an Arbitration, but declined signing any papers.

Moved, That the witnesses be excluded except those under examination.

Carried.

1. Thinks in 8 & 9 Concession Grantham. No. of lot not known.

2. Mr. Merritt says 4 acres.

3. Is cleared—part he thinks not hitherto ploughed.

4. Good soil—clay.

5. Understands the wood is cut off from the cleared land—an angle cut off.

6. In possession of last owner 25 years.

7. Estimates it at present at $6000—150 acres improved.

8. Supposes it worth as much then as at present, a good house and buildings on it.

9. Did not estimate it then—says £1500 Cy.

10. Cannot say—in his opinion it will require it.

11. No.

12. It has—the fences have been taken down.—The excavated ground will injure the land on which it is placed.

13. Not unless more land than at present supposed is taken by the Company.

14. At present thinks the Canal injurious. If allowed the water for hydraulic purposes the value of the estate would be enhanced—not otherwise.

15. It would depend upon the line of the canal.

16. It would depend upon the nature of the bridge required.

17. No—cannot say.

18. Considers them more valuable on Niagara River—situation more pleasant, &c.

19. Cannot say.

20. No.

21. Yes.

22. Not to any inconvenient distance.

23. It will depend upon the Company.

24. Cannot say.

25. Did not interfere.

26. It belongs to a minor, and could not take upon himself to do so.

WILLIAM HULL—*a witness.*

Knows the premises—has no land on canal—knows the line of the canal through the premises—cuts off an angle, including clearing and woods—the woodland at the corner. Cuts off a piece of woodland not accessible without a bridge. A lime kiln was established on the lot—does not speak to its value—would estimate the whole farm at £1000 currency—200 acres, £5 an acre—is a fine situation—has a good house on it. There is a spring near the lime kiln—it is supposed the canal will cut it off—does not know it was ever used for cattle or family use.

THOMAS KERR, *a claimant, sworn.*

1. No. 10, 10th concession, Grantham—100 acres.

2. 8 or 9 acres.

3. All woodland except 1½ acres.

4. Rocky, except the 1½ acres which had been sown with wheat.

5. Goes nearly through the centre—leaving one half cleared and the other half woodland.

6. Was given to his wife—occupied 16 or 17 years.

7. Offered that part used by canal at $12½ an acre to Mr. Merritt—but now understanding that some land adjacent, more valuable than that part wanted by canal, which is principally rocky, will be taken—i. e. an acre to each lock, being three locks, would not sell the whole farm at less than 25 or 30 dollars per acre. The puddling in the locks will require clay perhaps to be taken from witness' field—if so would injure 15 or 16 acres.

8. Did not value it.

9. Did not value it.

10. Does not think the canal beneficial to the farm.

11. None.

12. Has lost 1½ acres of wheat—moved fence to open line for canal—fence moved in February last.

(See Bill.)

13. Apprehends 15 or 16 acres will be destroyed by clay taken for puddling—it is adjacent to the locks—if not taken of no consequence. Had a grove of maple along the line of the canal, which was cut down.

14. Would rather have no canal, or that it should go in any other direction, though it could not cross his farm in any other direction so little to his injury.

15. Should think land on the navigation would be the more valuable.

16. There is no public road within the width of a lot of him—cannot say what a bridge, &c. would cost.

17. Not applicable.

18. Lands towards Niagara have always sold highest, according to common report.

19. If allowed to take the water would allow him to irrigate some of his meadows.

20. No.

21. No living streams on lot—no water without digging.

22. Except last season not more than a quarter of a mile of Mr. Ball's springs—last year had to go further.

23. If allowed access to the water it will be more convenient—not otherwise.

24. No springs.

25. Signed a petition at first not saying by what route—hardly thinks he would have signed it if the line through his farm had been known.

26. No—cannot part with woodland.

In answer to Mr. Merritt.

The nature of the soil cut off is clay—i. e. the woodland.—If allowed to irrigate it could raise grass from off it—could not however raise as much again from an acre. Denies no present advantage, such as selling or leasing building lots—a corner acre close to orchard he would not sell for $90.

Mr. Crowell Willson, an arbitrator, took his place.

JACOB J. BALL *sworn.*

1. No. 12 & 13, 10th concession, Grantham, 200 acres, a public road between them.

2. It is said 9 or 10 acres.

3. Wild and cleared—more cleared than wild.

4. Soil clay-loom, &c. Under the mountain may be used as meadow or plough land.

5. See diagram.

6. Since 1806—devised to him.

7. Since the canal projected offered it for $5000—would not have sold it at all, or so low, were it not for the canal passing throught it.

8. Did not value it—that it was worth more than at present—had no idea of selling it.

9. Higher than at present.

10. Thinks not.

11. None.

12. Cuts his fields up awkwardly—takes in a part of the mountain with a valuable Stone Quarry in it.

13. Earth for puddling the Locks may be taken out of his fields—cannot yet say.

14. Would prefer its going in another direction.

15. Cannot say.

16. The public Bridge will enable him to cross except that the distance will be increased.

17. Not applicable.

18. It depends upon the quality and situation—cannot say.

19. It could be done—cannot say whether the privilege can be claimed.

20. No.

21. Well supplied with Springs which the Canal will destroy—were amply sufficient for the farm—for cattle, and other purposes, irrigation if required.

22. Not of the farm.

23. No.

24. Yes—will lose two good ones—one he is sure will be lost, and thinks the other also.

25. Did both—first for it—secondly against the *alteration*—not on account of the enlargement of it, but its passing through his lot.

26. No—would not sell one part without the whole. Has springs remaining not so valuable as respects the vicinity of those lost. People purchase stone from the quarry.

Examined.—There are other places where there is stone, but the quantity and quality are not uniform. —Does not know precisely how much the Canal will deprive him of.

ALEXANDER NICKISON, *sworn.*

1. The lot belongs to one widow Wright—lives on it—14, 7th concession Grantham, 100 acres.

2. About 12 acres Mr. Merritt says.

3. Wild land.

4. Principally clay land.

5. About 25 acres cut off on the South West corner.

6. Four years—took it to maintain the old Woman—was owned by her husband, now dead. Unknown if the heir is alive.

7. Would if he owned it value it at $15 per acre.

8. At same price.

9. About the same.

10. Thinks it likely he could.

11. Cannot say that it has been any.

12. Not more than in cutting off a part. Timber dertroyed—a sugar bush principally destroyed by the line of the Canal.

13. Does not in particular—cuts off rail timber &c.

14. Would rather give up the land required for the Canal than not have it there.

15. He does.

16. Does not know—there is a concession road not open.

17. Not applicable.

18. Does not know but he should.

19. Expects it will overflow some meadow constantly by the stoppage of a Creek.

20. Yes.

21. It is with brooks.

22. Never off the farm.

23. Does not know that he will.

24. None.

25. Was neutral—did neither he believes.

26. No.

There will be 3 Locks on the land.

ROBERT DETTRICK, *sworn.*

1. No 15, 7th concession Grantham—100 acres.

2. Supposed 8 or 9 acres will be overflowed.

3. Wild and cleared—proportions not known.

4. Principally bottom land—some hill side.

5. A part is cut off not accessible 1½ acre—another overflowed that will be accessible, but at some trouble.

6. Thirty years—given to him by his Father.

7. Would ask about $3000 for it.

8. At same price.

9. Do.

10. Cannot say.

11. None.

12. Injurious—it takes away woodland, overflows bottoms and meadows—destroys a sugar bush—takes away a good Mill seat on Dick's creek upon which he intended to build a Mill—a seat for a Saw Mill. Is shut up, has no means of getting out.

13. No.

14. Would prefer its going another way.

15. In some places—not where he lives.

16. Not applicable.

17. Do.

18. Cannot say.

19. No.

20. No.

21. Yes.

22. Not off farm.

23. No.

24. No.

25. Cannot say—does not recollect.

26. Yes—at £12 10s. an acre.

JOHN SOPER.

1. No. 14, 6th concession Grantham—100 acres.

2. About 1½ acre.

3. Cleared.

4. Clay soil—the bottom richer than upland.

5. Cuts off a corner—the Canal will touch very little, but will overflow about 1½ acre.

6. About 10 years—paid $1750 for it.

7. Has refused $2000 for it last year. Had the offer before and since Canal projected.

8. Do. Do.

9. Do. Do.

10. Does not know, would, he thinks, hold it higher in consequence of the Canal—would not take less than $3000 for the farm.

11. Not materially.

12. Nothing more than already stated.

13. No.

14. Thinks the land would be more profit to him than the Canal—was offered more for a lot of land before the Canal projected than since—a one acre lot.

15. Cannot say.

16. Not applicable.

17. Do.

18. Is not sure.

19. No.

20. Not quite.

21. Pretty well.

22. Not off the farm.

23. No.

24. Has springs but they will not be injured.

25. Did neither.

26. Not applicable.

THE WIDOW PAMELIA RYCART, for Zachariah Rycart, who is insane and incapable of transacting business.

1. See Document No. 1.

2. Mr. Merritt says between 5 and 6 acres.

3. All cleared—bottom land cultivated.

4. Wm. Westover, sworn, says soil excellent.

5. Do. cuts off an angle of timbered land the principal part—also a sugar bush.

6. Before the war.

7. Cannot say—is not in the market.

8. Do. Do.

9. Do. Do.

10. Does not think she could get so much for it.

11. No.

12. See statement No. 1.

13. The separation of the farm—fruit, &c., destroyed.

14. Yes.

15. Not answered.

16. Cannot say.

17. Inapplicable.

18. Not answered.

19. Westover says no.

20. Not in the present case.

21. Yes.

22. Not off the farm.

23. No—not so convenient.

24. No—there is one—but it will not be lost.

25. No.

26. Cannot say.

WILLIAM CHISHOLM.

1. Adjacent to the village of St. Catharines—owns four acres.

2. It is said two acres.

3. Cultivated land.

4. Clay—bottom land.

5. Cuts off one side.

6. Fourteen years—paid $100 an acre for part of it, and $— for a small strip—part of both taken for canal.

7. At not less than prime cost.

8. At same price.

9. Was not in the market.

10. Thinks it has.

11. The lots in this vicinity are enhanced in value.

12. Cut off a part and deprived him of pasture, &c.

13. None.

14. Would not wish to have the canal altered.

15. Double or treble.

16. Not applicable.

17. Do.

18. Some lands on the Twelve Mile Creek equally valuable—generally the Niagara lands most so.

19. Not applicable.

20. He does.

21. Yes.

22. Not applicable.

23. No.

24. No.

25. Petitioned for it—would have done so for the enlargement.

26. Not applicable.

Thinks the canal has enhanced the value of property in St. Catharines.

The canal has in general enhanced the value of property on the line from the Welland to the harbor, although some farms have suffered materially.—Cannot speak as to individual injury.

Examined—Would not have taken less for the four acres than he gave unless he could have sold the whole.

When the canal was projected lands were at a low price in this vicinity—not more so than some years before—but increased in value since. Lands in the village doubled or trebled in value.

JONATHAN CLENDENNING.

1. Part of 16 and 17 in vicinity of St. Catharines—55 acres more or less.

2. About five acres or more.

3. Wood land—one and a half acre cleared and fenced.

4. Very good loom and clay—bottom land.

5. Crosses the lot, cutting off about three acres.

6. Paid thirty-two dollars and a half per acre for all except two acre lots—has had a title since 1820—for the two acres paid at the rate of £200, N. Y. C'y, per lot, including interest. The first cut was £100, N. Y. C'y ½ an acre taken for canal. The lot cost witness £150 principal. Had buildings on it not included in price—purchased it before canal projected—considered it worth it—was shortly after the War, when lands were high.

7. Exclusive of the three acres he lives upon he values it at £100 c'y. per acre—can sell it in town lots—means that part contiguous to the road—has sold some town lots.

8. Valued 20 acres of it at $100 per acre.

9. Held it at $200 (£50) per acre, but it was difficult to effect sales.

10. Yes.

11. Has enhanced the price—doubled the value—town lots are more than doubled.

12. Merely the loss of land.

13. None.

14. No—would prefer the canal.

15. He does.

16. A matter of no moment to witness.

17. Not applicable.

18. From its situation should consider lands on the Niagara most valuable.

19. No.

20. He does.

21. Has good springs.

22. No.

23. No.

24. No.

25. Does not recollect—petitioned for a bridge.

26. No.

WILLIAM PARNELL, for his brother FRANCIS GORING PARNELL.

1. West ½ of 15, 6th Concession Grantham—fifty acres.

2. Mr. Merritt says about 5 acres.

3. Part cleared—part wild.

4. Loom and clay.

5. Irregularly—cuts off better than one third.

6. Possessed since 1824---cost eight or nine hundred dollars before canal projected. Bought it for the privilege of a mill (saw mill) seat.

7. Would sell it for first cost.

8. Not applicable.

9. About $900.

10. No---thinks value not so much.

11. No.

12. Has thrown open a field of 8 acres, besides cutting off a part---destroys the mill seat unless allowed the privilege of water---claims no damage for field of 8 acres.

13. Not except the difficulty of crossing the canal.

14. Thinks so---would rather have the canal elsewhere.

15. Would rather have lands retired from a canal.

16. Cannot tell---will flow very wide.

17. Not applicable.

18. Do.

19. No.

20. Not in the present case.

21. Yes.

22. No.

23. No.

24. No.

25. Neither.

26. Not without selling the whole.

The Lot has 25 acres cultivated.

Shews a bond granting the privilege of overflowing the East half of the lot (Rycart's) at $25 per acre---as far as a dam for machinery might extend---no dam erected hitherto. Could raise a head of eight feet water by overflowing Rycart's half of the lot---cannot say how long such a head could be kept. There is no living course---depends upon floods in Spring and Fall. Paid for the greatest part of the lot in cash---was a cash agreement.

The Board of Arbitrators adjourned until 8 o'clock A. M. of the morrow.

TUESDAY, 29*th August* 1826.

The Board of Arbitrators met.

ABSENT.

Thomas Butler, George Ball, Marshall Lewis, George Shaw, George Lacy, William McClellan, and John Warren.

JOHN CLENDENNING, *sworn.*

1. No. 17, 7th Concession Grantham---90 acres.

2. About 3 acres.

3. Cleared.

4. Bottom land.

5. Passes through a corner, cutting off ¼ or ½ an acre.

6. Since 1812---inherited.

7. Values the farm at £12 10s. per acre---has extensive clearings and improvements.

8. Cannot say---did not value it.

9. Did not value it.

10. Does not know that he could.

11. None.

12. Thinks it is---takes his land---had a clear stream of the Twelve Mile Creek before which will now be dammed or stopped up and rendered stagnant.

13. Apprehends a bottom of 5 acres will be overflowed by the back water of the canal.---Is all the meadow attached to the farm, or the greater part of it.

14. Had rather the canal had gone elsewhere.

15. Not in a situation such as his.

16. Will have no way of getting to the highway unless by crossing the canal without the sufferance of his neighbors.

17. Not applicable.

18. Considered his farm as that of any one else.---If he owned a farm at each place would ask more for the Niagara one.

19. No.

20. No.

21. Yes.

22. Not of the farm.

23. No---not such good water.

24. No.

25. Petitioned for the bridge---not for the canal.

26. Supposes the Company will take it.

Left a small piece of land along the creek for a road---sold between 5 and 6 acres---John Clendenning at $100---a tract joining his farm.

Mr. GEORGE BALL came in. SAMUEL THEAL, an arbitrator on the part of

JACOB BOWMAN, *sworn.*

1. See plan 31 Thorold 100 acres.

2. About 16 acres will be overflowed.

3. Almost all cleared---a little wood---very valuable.

4. Meadow land or plough land---excellent.

5. Overflows the end of the South West angle, and cuts off 15 or 16 acres of wood land.

6. Was deeded to him by his Grandfather.---In possession a few years only.

7. If the Canal did not go through it $100---no buildings on it.

8. Thinks £200 currency.

9. Do.

10. At present the Canal is a disadvantage---if the Canal were finished perhaps not---though it would drown a tract still.

11. No.

12. Yes---overflowing all the meadow land---timber cut off.

13, No.

14. Cannot say. If *his* land, should consider the damages a great deal more than the value of the Canal to the place.

15. If the Canal were finished should say—Yes.

16. Cannot say—there is a public road if not overflowed.

17. Not applicable.

18. Yes.

19. No.

20. No.

21. Yes—creek always had water and a good spring.

22. Not off the same.

23. No—thinks not.

24. It may injure one—the only one—not sure—thinks it will.

25. Cannot say—thinks not.

26. The owner says not—would sell the whole—was offered $600 in cash and a lot of land in one of the new townships, valued at $400—cannot say what he would now ask.

Estimates the timber cut off at $50. The timber has only been taken from the land that will be overflowed.

Never knew the meadow to be mowed—has known it yield good Wheat harvest a year or two ago.

Of the 16 acres that will be overflowed 10 or 12 cleared, but the woodland is equally valuable.

The premises not cultivated till lately—always an open common.

George Lacey, an Arbitrator, took his seat.

JOB NORTHRUP *sworn.*

1. No. 21, 4th concession Grantham, 200 acres.

2. About 8 acres—cuts off about 2 acres. Excavated earth thrown against side hill.

3. All cleared.

4. Bottom land.

5. About 2 acres of meadow land cut off.

6. Five years. Paid $6000. Is Sheriff Merritt's Farm.

Mr. Lewis and Mr. McClellan came in.

7. At $8000, would not take less.

8. At $6000.

9. Did not value it.

10. Does not know that he could.—Thinks it enhances the value of land generally.

11. No.

12. Is a friend to the Canal and thinks little of it—but 30 acres of land have been laid open. He does not set up a claim for damage.

13. No.

14. Would prefer the Canal.

15. Thinks land 5 or 6 miles off equally improved, and that all is enhanced in value.

16. Cannot say.

17. Thinks it will.

18. Cannot say he did—preferred the 12 mile creek himself.

19. No.

20. To some it would—to him in other business than farming thinks it would, but to a mere farmer should not think it of any advantage.

21. Yes.

22. Not off Farm.

23. No—much the same.

24. No.

25. Petitioned for it.

26. Yes—would have sold the meadow land at $100 per acre before Canal—would give that for Gould's meadow now. At the time the Canal was projected did not want meadow land.

JOHN BROWN, *sworn.*

1. 102 in Chippawa, 100 acres—also 101—100 acres and B. F.—the whole 220 acres.

2. 400 yards about 2 chains wide, say 12 acres.

3. All cleared.

4. Lies along a creek—some marsh—some meadow—an acre of marsh—some ridge land—½ plough and ½ meadow land. The creek valuable for the sake of the water.

5. Cuts off about 30 acres on the West side.

6. Three years—exchanged it for another property £1000 N. Y. currency.

7. About £1000 N. Y. currency.

8. Not applicable.

9. Did not then own it.

10. Does not know that he could—has offered to sell it.

11. No.

12. Yes—in its present route had to make more fences—loses the convenience of water. The approach to the Chippawa is soft and bad for cattle. The fencing, &c., equal to $40. On the old route here is a hole cut close to the barn—intercepts the old approach to the farm—an acre dug—would cost two or three hundred dollars to fill it up. There is a chain between the barn and excavation. Two bearing apple trees covered up with excavation.

13. No more fencing will be required.

14. Would rather have had the Canal elsewhere—cut timber on the old route about 30 chains long and upwards of 2 chains wide—upwards of 6 acres—some other timber cut also—would not have had done for $200—lost the best timber.

15. He does not.

16. There is a public road.

17. Not applicable.

18. Niagara lands sold highest.

19. No.

20. Not in his case.

21. Yes—better before than at present.

22. Not off the farm.

23. No.

24. Had two, which the canal has destroyed.

25. No.

26. Yes—It is meadow land—valuable to the farm—cannot say price—would rather sell the whole farm. Tendered a bill of damages. Thinks he offered to take $700 in full of all damage on old route. The Company offered a mere trifle.

Mr. Butler *came in.*

Witness declined a thousand dollars for an acre of the meadow land at the mouth of the canal—i. e. the tunnel.

Estimates buildings at $1000 when he purchased the place.

Mr. Misner *recalled.*

Is asked as to the value of the timber taken on the old route—the six acres—its damage to the farm—$200 would have cleared the six acres for the plough for the timber. Clearing and fencing land worth $12½—different prices.

Is asked the damage to Carroll's farm—by loss of timber cut over the line of the canal—thinks $20.

Marshall Lewis on behalf of the Company, *sworn.*

Says he examined the timber on Brown's farm; particularly last year to seek timber for a bridge across the Deep Cut; saw the line of the old route, and he could tell what timber had been cut; Oak not then removed; some Pine cut and all carried away; some Beech trees cut, and others; not cleared all through, but the best timber is cut out; on some acres not more than 3 or 4 trees cut. The timber picked here and there throughout; should not think there were more than 3000 feet of timber Pine and Oak cut on the 6 acres; not worth more than a dollar per hundred feet standing; was cut for the Canal; many of the trees good timber trees. The Oak trees would average 35 feet. Of the 3000 feet of timber more than half Oak. The Beech trees had been hewed; the six acres not cut all off. The choice timber merely picked here and there for the Canal works, but not all removed.

George Keefer, Esq., *sworn* on behalf of the Company.

1. Lots 6 and 17 in Thorold, 200 acres.

2. Twenty or thirty acres.

3. Almost all cleared.

4. Good soil.

5. Cuts off an adjoining lot—passes lengthways through No. 6.

6. 32 years—paid them £106, N. Y. currency for 200 acres.

7. At about £10 an acre, including building—would not sell it for that or less than that.

8. About £5.

9. About £5.

10. Yes—knows he can—has sold small lots since Canal.

11. Has enhanced its value.

12. No other than depriving them of soil and opening his fences—moved his fences.

13. None—anticipates advantage.

14. Would prefer Canal.

15. Yes.

16. A public bridge will save the necessity of a private one.

17. No.

18. Always did—bore a higher price.

19. Thinks so.

20. Yes—a great deal more.

21. It was with springs better than the generality of farms.

22. Never before last season—then had.

23. Anticipates it.

24. One will—a very good one belonging to Still House—there will be three left.

25. Petitioned for Canal---always for it.

26. No.

Adds, if he had no other than agricultural pursuits would then think the benefit of the Canal equivalent to the loss of soil---more so on his premises --thinks some of his neighbors' property will be benefitted as much as his---purchased a lot (17) this year at double what he would have given before on account of the Canal---is well acquainted with the land from the

Welland to St. Catharines---from hence (St. Catharines) to his own place is a ravine---bottom land---thinks Dick's Creek would have remained a wilderness a long time had it not been for the Canal. Mr. Phelps bought two lots on it at $12½ an acre, and one at ten. Would hardly think the valley of Dick's Creek worth clearing, considering the steepness of the banks---should not think the ravine of any benefit to a farm---lands on the creek have sold from 10 to 12 dollars since Canal. Conceives them enhanced in value. Thinks the farms will be benefitted---thinks any farm on the Canal from St. Catharines to the Welland will sell for more than before.

Does not think the water running in Dick's creek sufficient in duration to pay the expense of a Saw Mill.—Has seen it tried on better streams and fail.—No living stream.—Fed by rains, snows, &c.—Mr. Deddrick has a Saw Mill further up the creek does business—a Mill built near St. Catharies in the valley never did any business.

Mr. Dunn bought a lot in rear of Brown's of the Chippawa at $6 an acre since Canal projected. Has sold pine timber to the Canal Contractors at a dollar a hundred. Has a grove of pines very thick. One object of Mr. Phelps in buying Deddrick's lot was to get timber for the Locks.—Thinks it was well timbered—contained pine and oak—considers the average price of land throughout the townships of Grantham and Thorold from 8 to 10 dollars.—Has bought and sold a good deal.—Meadow more valuable than ordinary land—would cost 10 or 12 dollars to clear land—an acre of meadow worth two of upland—meadow worth £5.

Expects the Canal, now under contract, will go into operation next fall—is satisfied it *will* go into operation.—Has not the least idea funds will be wanted.—He took 20 shares at first—not sold any nor increased the number.

MR. LEWIS, *recalled.*

Thinks a Draw Bridge would cost 200 or 300 dollars—a floating bridge $100. If recesses made by Company a Scow could be had for $40.

GEORGE ADAMS, ESQ. *sworn, upon* MR. MERRITT'S *Claim.*

Says the Mill Seat was considered a good one.—The dam kept breaking occasionally.—Mr. Merritt paid him £100 Cy. for one third of the Mill Seat and adjoining land—a Saw Mill had been built but did not go into operation.—The dam broke.—Would have been willing to give £500 for the establishment two years ago—that is when Mr. Merritt purchased it. The Canal will require a good deal more land than the Mill Seat itself. Mr. Merrit repaired the Mills.—The Mill was rented in 1822 at £100 per annum currency, but he was to allow for certain repairs out of it—i. e. a breach in the dam. It had been at first a 9 foot dam, but had sunk to 7 feet.—Mr. Merritt raised it—witness does not know how much.

Values the average meadow land from St. Catharines to the Lake at £100 an acre with the privilege of water—if no water not higher than uplands.—Lands on Dick's creek not of such good quality nor so valuable—would rather have the valley land than upland.—Considers one acre of valley worth 4 acres of upland. The banks of the 12 mile creek bear excellent wheat.—Average of 100 acre farms in Grantham from 10 to 20 dollars per acre; depends upon situation. Thinks he would give more than £5 an acre for some farms on the line of the Canal. Names Mr. Ball's—Mr. Shaver's—before Canal in contemplation lands in this vicinity sold for £5 an acre.—Thinks his farm and many others seriously injured—may benefit some and injure others.

Thinks the farm from St. Catharines to the Lake will be injured—but may enhance the value if owners disposed to sell.

Thinks many farms between St. Catharines and the Welland river would not bring so much as before the Canal was projected.

ALFRED BARRETT, *on behalf of the Company, sworn.*

Was employed on the Erie Canal.—There was much opposition to it by the land owners—saw more of it there, such as opposing Surveys &.—People supposed it would sink the value of property.—Lands were appraised by Commissioners appointed by the Legislature.—The Canal Commissioners were also afterwards—were required to consider advantages as well as disadvantages.—The former generally considered to prevail except almost the whole of a Town Lot were taken, or a Mill Seat or other valuable property—since the Canal has gone into operation many of the strongest opponents have changed their sentiments and think well of it. Is acquainted well with the line of the Welland Canal—thinks the value of property will be enhanced generally on the line of the Canal.

Considers the Harbor site unhealthy from the falling of the marshes &c.—being sickly this year from that cause.

Erie Canal 40 feet wide on the surface of the water.

This Canal a little wider at top, but not much.

On the Erie Canal there are accommodation Bridges built at the public expense---one to two farms.

Property enhanced by the establishment of new ports of entry---more ready sale of produce. The property has also risen on the Erie Canal. Infers from that a similar result here.

Expects the Canal will be completed in a year from October next. The whole line is estimated at two hundred thousand pounds by other Engineers ---not estimated by him. The part completed has been done within the estimate---cannot without reference tell how much has been expended. At the expiration of this month (August) half the expense will be incurred, perhaps a little more. Has been an Engineer eight years--knows of no obstacle in the way of the completion of the work---never heard or read of a Canal, the ulterior objects of which are so great as this made at the expense and within the time estimated for this.

The Erie Canal has caused increase of settlement and cultivation.

When the Erie Canal was projected on the north side of Mud Creek the people made high claims, but afterwards when the line on the south side the creek was adopted they offered to give up their property for nothing with a view to it.—Vast quantities of timber pass the Erie Canal—staves drawn 10 miles.—Does not consider the Erie Canal unhealthy. —Thinks this Canal will render the country more healthy.

WALTER DETTRICK, on behalf of the Company, *sworn*.

Was present when Mr. Merritt purchased a lot from his father—14, 5th concession, Grantham—had valuable timber on it—was a heavy timbered lot, as much so as any—was sold at $10 an acre—£100 in hand, the remainder in three years, without interest—his father had offered it for $500 about nine months before canal projected—thinks the canal enhanced its price—thinks the canal has raised the value of property on the line.

OLIVER PHELPS *sworn*.

1. 12, 13, & 14, 8th concession, Grantham—300 acres.

2. About 13 acres.

3. Wild land.

4. Usual soil of the country—a ravine.

5. Enters south east corner of middle lot, and out at the north west corner of same lot—cuts a little on the corner of the others—cuts the centre lot nearly in the middle, but angling.

6. Last fall paid $2,500 for 200 acres and $1000 for 100 acres.

7. Has been cleared and timber cut since—considered it a good purchase—would not like to sell it for what it cost.

8. Not applicable.

9. Do.

10. Thinks so—would not have purchased it had it notbeen for the canal—wanted the timber and thought the canal would enhance the value.

11. Cannot say it has in particular.

12. No.

13. No.

14. Yes.

15. Should think lands on or adjacent to canal most valuable.

16. There are locks on the line of his lots.—Swing ridges might be erected.

17.

18.

19. Yes—if the Company will allow it.

20. Yes.

21. Not very well.

22.

23. Thinks so.

24. No.

25. No.

26. Has no wish to sell.

JOHN HAINER *sworn*.

1. 20, 6th concession, Grantham—298 acres (in lot 100).

2. About 13 or 14 acres, including a small piece sold to Mr. Adams.

3. Cleared.

4. Clay—interval and bottom.

5. Cuts off the front.

6. Possessed 3 years—inherited.

7. Sold 5 acres for $270 since canal projected last fall.

8. Cannot say.

9. Should say about 10 dollars an acre—could sell it for that.

10. Does not know but it has a little.

11. It has to that not destroyed by increasing its value.

12. No.

13. No.

14. Would rather have no canal.

15. Cannot say.

16.

17.

18.

19. No.

20. No.

21. Yes.

22.

23. No.

24. No.

25. Petitioned for it—would rather have had a boat navigation.

26. Not applicable.

Does not place any particular value upon the land taken for a tow path—or indeed the canal—apprehends his bottom land will be overflowed by the back water of the canal.

1. Mr. William Sanderson,
2. Mrs. Isabella Stewart,
3. Mrs. Shipman,
4. Mr. William C. Chase,

All in the village of St. Catharines } Do not wish to be examined, but wish arbitrators to adjudge with the rest.

Mr. Adams thinks the loss nothing—that the canal enhances value equal to the loss.

Mr. Sanderson has from $\frac{1}{5}$ to $\frac{1}{4}$ of an acre cut off from his lot about 2 or 3 acres.

Mrs. Shipman $\frac{1}{8}$ of an acre cut off.
Mrs. Stewart $\frac{1}{10}$ " " cut off.
Mrs. Chase, $\frac{1}{4}$ " " cut off.

WILLIAM HAMILTON MERRITT *sworn.*

1. 18 & 19, 6th concession, Grantham—250 acres.
2. 10 or 12 acres—exclusive of the mill seat and land flowed thereby—6 acres.
3. Cleared.
4. Meadow---side land---mill seat.
5. Cuts off the front---divides about an acre off.
6. Since 1816---paid £2 10s. per acre for 24 acres in 1820---purchased 17 acres at $\$17\frac{1}{2}$ per acre---purchased mill seat and 150 acres adjoining, for about $4600---some wild land.
7. Altogether at £25 per acre---100 acres valued much less.
8. 5 or six years ago land was high---afterwards fell in value.
9. When Canal projected land at lowest price---say £6 5s. per acre, would sell the meadow land (if no Canal) at $30 an acre if a farmer.
10. Yes, double—treble.
11. Increased the value and purchasers.
12. Fences removed—kettles at salt works must be taken up—damage or expense £25—has lost the use of the mill since May or June last—claims the interest on the appraisal of its value claims damages like others—values mill and seat at $3000—mill seat about seven acres.
13. Overflowing valuable bottom land.
14. would rather lose half his property than the Canal. If half taken, residue will be more valuable than whole otherwise.
15. Yes.
16. Not applicable—says his opinion is the Company will afford access so as not to incommode the owners of lands.
17. Yes.
18. Yes---situation more favorable.
19. No.
20. Yes.
21. Yes.
22. Not off farm.
23. Not generally---in some fields well.
24. No—will cover salt spring, but thinks it may be diked.
25. Yes.
26. No.

Mr. Merritt states, that except in the spring and fall the mouth of the 12 Mile Creek not open—not more than one-third or one-fourth of the year. Tried to bring goods up, but did not find the navigation so practicable as to render it expedient for commercial purposes.

Mr. Merritt delivered in some written observations as Agent of the Company.

DARIUS DAVENPORT *sworn for* Mr. MERRITT.

Rented Mr. Merritt's mills in 1825. Rent calculated at $450 per year—up to February last rent to be $100 in lumber, at market price, 100 bushels of rye and corn, 400 bushels of wheat—lumber worth in cash 5s., and in proportion—Rye 2s. 6d. currency per bushel—Corn 2s. 6d.—wheat 3s. 9d. currency per bushel. Was to keep mill in as good repair, and leave it as good as found, except natural wear and tear. Were in as good order when he left them as before—as good as common run of mills.

The Board of Arbitrators adjourned till 10 o'clock a. m., of the morrow.

As a preliminary motion it was *Resolved,* That the Board deliberate in private. The room was accordingly cleared.

WEDNESDAY, 30*th August*, 1826.

The Board of Arbitrators met.

ABSENT:

John Warren.

Mr. Clark having gone to view the line of the Canal, It was moved by Mr. Macaulay, and carried, That Dr. Powell should resume the Chair *pro tem.*

PHILIP CARROL, *on behalf of his father says:*—

He counted the stumps upon his father's lot where the Canal passes, *i. e.* supposed to be beyond the line—the line is not staked. Postponed.

VALENTINE WARD, a millwright, *sworn* on behalf of FRANCIS G. PARNELL.

Knows Dick's Creek—Rycart's property—Rycart asked him to level a mill seat—did not—said there was a seat—that it would not do much business—would go $\frac{1}{4}$ of the year—cannot say the head of water, not having levelled it—from the eye should think 8 feet head—means a saw mill—could raise a head of 8 feet without overflowing next lot. Timber for sawing abundant in the neighborhood. There is no living stream—but in Spring and Fall there is water sufficient.

ALFRED BARRETT, (Engineer) on behalf of the Company, says,

He examined the premises this morning—the fall from the road to Parnell's line is six feet and an inch or so—the distance is 20 or 25 chains as the Ravine runs—if sufficient quantity of water would give head enough for a saw mill—from appearances should not think it worth while for any one to build a mill upon it—no stream—fed by rains—freshets, &c.—was here in May last—a large quantity of water accumulated at a rainy period in July last, but soon subsided—the Ravine about 4 chains wide.

Mr. LEWIS says—he resided in the vicinity of the premises since last March—knows it well—should not advise any one to erect a mill there—saw the remains of an old mill further down—supposed the person threw away his money. Mr. Lewis is a millwright. From the head that could be raised does not

think the casual supplies of water would be of sufficient advantage to support a saw mill.

James Dettrick, *sworn* for Francis G. Parnell, says,

He once owned the mill called Dettrick's mill on the same Ravine as Parnell's seat—a stream comes in below Dettrick's mill, indeed several branches. As to his mill, its going depends much upon the seasons and supplies of water—goes three months or more. Has a head of 9 feet. Has a small pond not so large as Parnell could raise—would build a mill on it if his. Does not know the extent of dam that would be required. His own mill and dam cost about $1000—his dam is about 100 feet—one saw built for two—has sawed nearly 100,000 feet this season—was a better season than usual—did not do so much last year. Thinks it would average 100,000 feet a year.

Mr. Clark having joined the Board,

Philip Carrol, resumed.

He counted the Pine and Oak stumps—counted 60 Pine and 30 Oak without the limits of the Canal route,—i. e. beyond the bank of the Canal—the outline not seen that he knows of—never forbid that he knows of—cut beyond where earth is thrown out.

Mr. Merritt says no one has cut any by the authority of the Company.

Mr. Merritt states that the Company has never authorised any person to cut timber beyond the line.

Witness says, there are 15 shanties on the line of the Canal. Firewood off his father's lot.

The following were moved and adopted as principles by which the arbitrators should be governed in their decisions.

1. It is resolved to proceed in the arbitration upon the assumption that the section of the Canal from the Welland River to Dalhousie Harbor will be completed and go into operation as required by the Act, and as anticipated by the Company and the public—and that in a general point of view it will hereafter prove as advantageous to the public as well as to the adjacent estates and country in its vicinity as canals in other parts of the world have hitherto done under circumstances equally favorable.

2. But should any unforeseen obstacles prevent the completion of the Canal according to the reasonable expectations at present entertained, or produce any other unfavorable change of circumstances not contemplated the basis of the awards now to be made shall be considered so far destroyed as fairly to entitle the individual proprietors in question to seek a further remuneration for the loss of their property or other damage.

3. With regard to the advantages or disadvantages of the Canal as respects the adjacent estates it is not proposed to consider the general rise of property on the line of the Canal, and the additional price at which sales thereof might be effected, as uniformily to be opposed to the value of property taken for or damaged in consequence of the Canal, or that the amount of enhanced value should always be balanced against the actual or necessary loss. The application of such advantages depending, in our construction of the Statute, very much upon local circumstances.

4. It is however conceived to be the meaning of the Act that any peculiar local advantages (such as facility of sales of town lots, or other prominent advantages to an estate which may be a matter of commercial speculation rather than of agricultural use) should be considered—as also such as may accrue to any contiguous estates entirely devoted to agriculture—that is to say, improving the health of the situation, increasing the supply of water, reclaiming wet and marshy lands, affording facilities to irrigation, establishing mills and other machinery in the vicinity, affording a more easy transport, ensuring more ready sales and more convenient markets to the farmer, and many other benefits necessarily resulting in the completion of the canal.

5. It is likewise conceived that the great public object in view in the construction of the canal, and the general rule in all countries, that private interests shonld yield to those of the public; should here so iar operate as to supersede any claim for compensation on the ground of the owner's personal attachment to the particular part of his estate required and taken; it being deemed just, and in accordance with the -rue spirit of all boards appointed for such ob jects as the present, not to award to any individuals more than the intrinsic value of the property taken or damaged—considering nevertheless (if important) the peculiar value of any particular lands to the estate generally on the one hand and the benefits accruing to the residue on the other hand.

6. Lands to be appraised by the acre when practicable—quantity to be taken as stated by the Company, with a proviso as to any excess or deficiency.

7. The nature of the soil to be specified.

8. Each case to be considered in rotation.

9. Secretary to record decisions and names of Yeas and Nays in each case.

10. At the end of the day all the Arbitrators to sign the minutes.

11. When the award is prepared, the yeas to sign each case in favor of which they vote.

The Arbitrators then proceeded to award upon the several cases a- follows—

1st. Case—Nathan Pawling.

Upon the question being put that the advantages of the Canal to the Estate of the said Nathan Pawling are fully equivalent to the loss of property occasioned thereby, and that he has no claim to any remuneration from the Welland Canal Company—the Yeas and Nays were as follows :—

Yeas.—Messrs. Jarvis, Black, Davis, Theal, Wilson, Nelles, Keefer, Ball, Lewis, Powell, Mittleberger, Woodruff, Shaw, Durham, Street, Butler Wood, A. Nelles, Macaulay, Clark.

Nays.—Messrs. McBride, Smith, McClellan, Lacy, and Hill.

Carried.

2nd. Case—Robert Brown.

16—40 acres.—Principally meadow, of which 4—40 is out of fence, leaving 12 acres of meadow and 4—40 out of fence.

Carried unanimously that claimant is entitled to remuneration.

It being proposed that each Arbitrator should name what he considered a fair compensation for the 12 acres of meadow,

Mr. Mittleberger named,...	£ 4	0	0	per acre.
" Butler,.....	20	0	0	"
" Street,.....	20	0	0	"
" Jarvis,.....	10	0	0	"
" Black,.....	6	0	0	"
" Davis,.....	10	0	0	"
" McBride,.....	7	10	0	"
" Wilson,.....	12	10	0	"
" R. Nelles,.....	12	10	0	"
" Smith,.....	5	0	0	"
" Ball, ...	25	0	0	"
" Keefer,.....	5	0	0	"
" Shaw, ...	20	0	0	"
" Woodruff,.....	20	0	0	"
" Powell,.....	5	0	0	"
" McClellan,.....	12	10	0	"
" Lewis,.....	10	0	0	"
" Lacey,.....	12	10	0	"
" Durham,.....	20	0	0	"
" Theal,.....	25	0	0	"
" Hill, ...	20	0	0	"
" Wood,.....	5	0	0	"
" A. Nelles,.....	25	0	0	"
" Macaulay,.....	10	0	0	"
" Clark,.....	20	0	0	"

Bridge not decided.

Voted to be adjusted at the end.

The sum of £12 10s. per acre being proposed for the 12 acres of meadow land—

Yeas.—Messrs. Jarvis, Black, Davis, McBride, Wilson, R. Nelles, Smith, Keefer, Powell, McClellan, Lewis, Lacey, Wood, Macaulay—14.

Nays.—Messrs. Butler, Street, Woodruff, Ball, Mittleberger, A Nelles, Shaw, Durham, Theal, Hill, Clark, 11.

Carried.—12 acres of meadow at £12 10 per acre.

The sum of £5 per acre was proposed for the 4½ acres.

Yeas.—Messrs. Clark, Butler, Street, Jarvis, R. Nelles, Ball, Mittleberger, A. Nelles, McClellan, Lacy, Durham, Theal, Hill, 13.

Nays.—Messrs. Black, Davis, McBride, Willson, Keefer, Smith, Lewis, Powell, Macaulay, 9.

Messrs. Woodruff and Shaw do not vote.

Awarded £12 10 per acre for 12 acres meadow.
£ 5 per acre for 4½ acres.

And at that rate for more or less of land outside the fence.

3rd.—Jacob Ten Broeck.

9¾ *Acres.*

£13 per acre was proposed for 3 acres taken for a Tow Path.

Yeas.—Messrs. Clark, Butler, Street, Woodruff, R. Nelles, Ball, Mittleberger, A. Nelles, Shaw, Lacey, Durham, Theal, Hill.—13.

Nays.—Mersrs. Jarvis, Black, Davis, McBride, Wilson, Smith, Keefer, Powell, McClellan, Lewis, Wood, Macaulay.—12.

Carried.

The sum of £7 10 per acre was proposed for the residue—about 6 6¾ acres.

Yeas.—Messrs. Street, Jarvis, Black, Davis, McBride, Willson, Smith, Keefer, Mittleberger, McClellan, Powell, Lewis, Wood, Theal, Macaulay.—15.

Nays.—Messrs. Butler, R. Nelles, Ball, A. Nelles, Shaw, Lacey, Durham, Hill, Clark.—9.

Carried.

For any excess of meadow land as good as the Tow Path, at the rate of £13 per acre.

For land similar to the residue of the 9¾ acres in Engineer's schedule at the rate of £7 10 per acre.

Moved,—That the advantages of the Canal are equal to the loss of the 12 acres meadow and marsh that will be overflowed joining Mr. Ball's—the point cut off.

Yeas.—Messrs. Street, Woodruff, Jarvis, Black, Davis, McBride, R. Nelles, Willson, Smith, Keefer, A. Nelles, Shaw, McClellan, Powell, Lewis, Theal, Wood, Clark, Mecaulay.—19.

Nays.—Messrs. Mittleberger, Lacy, Durham, Hill, Butler, Ball.—6.

Carried.

4th—John Ten Broeck.

Moved,—That the advantages of the Canal are equivalent to the loss of soil occasioned by the Canal, being the quantity actually required for the Canal below the bridge, but if any meadow lands be overflowed by the Canal the same to be paid for at the rate of £13 per acre. If any land cut off but not overflowed, to belong to claimant.

Yeas.—Messrs. Street, Woodruff, Jarvis, Black, McBride, Davis, R. Nelles, Willson, Keefer, Ball, Shaw, Powell, McClellan, Lewis, Lacy, Durham, Theal, Hill, Wood, Clark, Macaulay.—21.

Nays.—Messrs. Butler, Smith, Mittleberger, 3.

Carried.

5th.—Job Northrup.

Moved,—That the advantages of the Canal are equivalent to the disadvantages, so far as respects the soil actually required for the Canal—but if any extra land shall be taken for hydraulic or other purposes, except the actual construction of the Canal, the same to be paid for at the rate of £25 per acre.

Yeas.—Messrs. Clark, Butler, Street, Woodruff, Black, Ball, Mittleberger, Smith, A. Nelles, Shaw, McClellan, Lacey, Durham, Hill, Macaulay.—15.

Nays.—Messrs. Jarvis, McBride, Davis, Willson, R. Nelles, Keefer, Powell, Lewis, Theal, Wood, 10.

Carried.

6th.—Adam Gould.

Eight acres of meadow valued at £12 10 per acre, and so for more or less.

Yeas.—Messrs. Jarvis, Black, McBride, Davis, Willson, R. Nelles, Mittleberger, Smith, Keefer, McClellan, Powell, Lewis, Theal, Wood, Macaulay, —15.

Nays.—Messrs. Clark, Butler, Street, Woodruff, Ball, A. Nelles, Shaw, Denham, Hill, Lacey.—10.

Carried.

7th.—John Hainer Bacres.

Advantages considered equivalent to disadvantages.

Unanimous.

8th.—Thomas Merritt and William H. Merritt

Nine and a half acres, exclusive of mill seat—advantages equal to loss.

Unanimous.

For mills, adjacent lands, and appurtenances, £600.

Unanimous.

9th.—John Clendinning.

$3\frac{1}{10}$ acres overflowed.

$\frac{1}{2}$ ditto for a lock erection.

Advantages equivalent to the $3\frac{1}{10}$ acres specified in the Engineer's schedule.

The half acre for lock erections, and any meadow not overflowed not included in the Engineer's schedule, at £25 per acre.

Unanimous.

10th.—William Chisholm.

Considered unanimously that advantages are equal to disadvantages.

William Chase,
William Sanderson,
Isabella Stewart,
Elizabeth Shipman.

Elias J. Adams, name inserted at the instance of Mr. Woodruff, his Arbitrator.

In the above five cases the advantages are unanimously considered equivalent to the disadvantages.

Jonathan Clendenning.

Considered unanimously that advantages are equivalent to disadvantages.

11th.—Francis Goring Parnell

5 acres.

A mill sea

Awarded unanimously £30.

12th.—Zachariah Rycart.

5 acres.

Allowed unanimously £15.

10th.—John Soper.

Considered unanimously that advantages are equivalent to disadvantages.

13th.—Robert Dettrick, $3\frac{3}{4}$.

Allowed unanimously £2 10 per acre for the land taken for or overflowed by the Canal.

14th.—Mrs. Wright.

13 acres required for Canal, and one acre adjacent to each Lock.

The benefits of the Canal equivalent to the land actually taken for the Canal.

The sum of £3 10 for the acre of land adjacent to each Lock, to be taken for hydraulic purposes—that is £3 10 for each acre so taken.

Yeas.—Messrs. Jarvis, Black, McBride, Davis, Willson, R. Nelles, Mittleberger, Smith, Keefer, A. Nelles, Powell, Wood, Macaulay.—13.

Nays.—Messrs. Street, Butler, Woodruff, Ball, Shaw, McClellan, Lewis, Lacy, Durham, Theal, Hill, Clark,—12.

Carried.

10th.—Oliver Phelps.

Considered unanimously that the advantages of Canal are equivalent to the loss of soil.

15th.—Jacob J. Ball,

$5\frac{1}{2}$ acres.

That advantages are equivalent to disadvantages, except the land taken for the locks.

Yeas.—Messrs. Clark, Street, Jarvis, Black, Davis, Willson, R. Nelles, Keefer, Powell, McClellan, Lewis, Woodruff, Macaulay,—13.

Nays.—Messrs. Butler, Wood, McBride, Mittleberger, Ball, Smith, A. Nelles, Shaw, Lacey, Durham, Theal, Hill,—12.

Each acre taken for manufactories adjacent to the Locks (an acre to each Lock,) £5 an acre.

Yeas.—Messrs. Butler, Strcet, Woodruff, McBride, Davis, Willson, Nelles, Mittleberger, Ball, Smith, A. Nelles, McClellan, Lewis, Theal, Hill, Clark, Shaw.—17.

Nays.—Messrs. Jarvis, Black, Keefer, Powell, Lacey, Durham, Wood, Macaulay,—8.

Awarded.

16th.—Thomas Kerr.

4⅕ acres.

Advantages of Canal equivalent to loss of soil actually required for the construction of Canal.

Allowed £5 an acre for each acre taken for manufactories &c.—that is, an acre for each lock.

Unanimous.

17.—Widow of Jacob Ball.

4⅕ acres.

Advantages of Canal equivalent to loss of soil actually required for construction of Canal.

Allowed £5 an acre for each acre taken for manufactures &c., i. e. an acre to each lock if taken by the Company—that is £5 an acre if taken, and so on in proportion for any less quantity.

Unanimous.

10th.—William Youall.

4 acres.

Advantages unanimously considered equivalent to disadvantages.

18th.—Jacob Bowman.

9½ acres.

That land should be valued at £5 an acre.

Yeas.—Messrs. Jarvis, Black, Davis, Willson, R. Nelles, Mittleberger, Ball, Smith, Keefer, Powell, McClellan, Lewis, Durham, Wood, Macaulay,—15.

Nays,—Messrs. Street, Butler, Woodruff, McBride, Shaw, A. Nelles, Lacey, Hill, Clark, Theal, —10.

20th.—George Marlatt.

9¼ acres meadow.
9¼ " upland.

Total, 18½

Uplands, equivalent to advantages of Canal.

The 9¼ acres of meadow land to be paid for at the rate of £4 per acre.

Yeas.—Messrs. Jarvis, Black, Davis, R. Nelles, Keefer, Mettleberger, Smith, A. Nelles, Shaw, Powell, Lewis, Wood, Macaulay, 14.

Nays.—Messrs. Street, Woodruff, Butler, McBride, Ball, Durham, Theal, Hill, Clark, McClellan, 10.

Carried.

Allowed for Fencing Bill £165.

21st.—Andrew Willson.

17 Acres.

That he be allowed £3 per acre for land taken.

Yeas.—Messrs. Jarvis, Black, Davis, Willson, Keefer, R. Nelles, Smith, B. Nelles, Mettleberger, Shaw, Powell, McClellan, McBride, Clark, Durham, Ball, Theal, Butler, 18.

Nays.—Messrs. Street. Woodruff, Lewis, Lacey, Wood, Hill, Macaulay, 7.

Carried.

For Hay lost, allowed £6.

22nd.—Hall Davis.

18½ acres

That claimant be allowed £2 per acre.

Yeas.—Messrs. Butler, Street, Woodruff, Black, Jarvis, Willson, R. Nelles, Smith, Ball, Shaw, McClellan, Lewis, Lacey, Durham, Theal, Hill, Wood, Macaulay, Clark, McBride, A. Nelles, 21.

Nays.—Messrs. Davis, Keefer, Mettleberger, Powell, 4.

Carried.

23rd.—Jeremiah Atley.

3⅕ acres.

That advantages are equivalent to disadvantages.

Yeas.—Messrs. Butler. Street, Woodruff, Jarvis, Black, Davis, Willson, Keefer, R. Nelles, A. Nelles, Ball, Shaw, Mittleberger, Powell, Lewis, McBride, Wood, Clark, Macaulay, 19.

Nays.—Messrs. Smith, McClellan, Durham, Lacey, Theal, Hill, 6.

Carried.

24th.—Samuel Swayze.

12½ acres.

That claimant be allowed £3 per acre for all taken by canal.

Yeas.—Messrs. Woodruff, Jarvis, Black, Willson, R. Nelles, Smith, Shaw, Keefer, Powell, Lewis, Wood, Theal, Clark, Macaulay, 14.

Nays.—Messrs. Butler, Street, Davis, A. Nelles, Ball, McClellan, Mittleberger, McBride, Lacey, Durham, Hill, 11.

Also, £25 for general loss of use of Estate for two years.

Carried.

25t h.—Garrett Vandeburgh.

50 acres.

That lands be valued at £2 10s. per acre for all taken, including all damages.

Yeas.—Messrs. Butler, Street, Davis, Willson, R. Nelles, Keefer, Smith, A. Nelles, Ball, Shaw, McClellan, Mittleberger, Lacey, Durham, Theal, Hill, Wood, Clark, 18.

Nays.—Messrs. Woodruff, Jarvis, Black, McBride, Powell, Lewis, Macaulay, 7.

Carried.

26th.—JOHN CARROLL.

61½ acres.

That lands be valued at £2 per acre for all taken by the canal, including all damages.

Yeas.—Messrs. Butler, Street, Woodruff, Jarvis, Davis, Black, Willson, R. Nelles, Keefer, Smith, A. Nelles, Shaw, Powell, Mittleberger, McClellan, Lewis, McBride, Wood, Clark, Macaulay, 20.

Nays.—Messrs. Ball, Lacey, Durham, Theal, Hill, 5.

Carried.

27th.—JOHN BROWN.

7½ acres.

The advantages of the Canal equivalent to the loss f soil on present route.

Unanimous.

Timber £8 15s.

Unanimous.

That £25 be allowed for chasm for tunnel.

Yeas.—Messrs. Butler, Street, Woodruff, Willson, . Nelles, A. Nelles, Ball, Shaw, Mittleberger, owell, McClellan, Lacey, McBride, Durham, heal, Clark, Macaulay, 17.

Nays.—Messrs. Jarvis, Davis, Black, Keefer, mith, Lewis, Wood, Hill, 8.

Carried.

The whole signed by all the Arbitrators as follows:—

Signed,
Thomas Clark,
A. Nelles,
Samuel P. Jarvis,
T. Butler,
James Black,
Samuel Street,
Crowell Willson,
George Ball
George Lacey,
Thaddeus Davis,
H. Mittleberger,
Edward McBride,
John Hill,
Alexander Wood,
Wm. M'Clellan,

Signed,
J. B. Macaulay,
Marshall Lewis,
Wm. Smith,
Richard Woodruff,
Jacob Keefer,
James Durham,
George Shaw,
Robert Nelles,
Samuel Theal,
Grant Powell,

The Board of Arbitrators adjourned to to-morrow till the award should be prepared.

FRIDAY, 1*st September*, 1826.

The Board of Arbitrators met.

ABSENT: John Warren.

Darius Laphan, Assistant Engineer, affirms that he surveyed the lands as per schedule given in, and states that to the best of his knowledge of schedule contains a statement of the quantities and quality of lands required for the Canal or likely to be overflowed thereby. An acre reserved to each lock and included in the schedule.

No. 8.

AWARD OF ARBITRATORS.

To all to whom these presents shall come:

WE, the Honorable Thomas Clark, Abraham Nelles, Thomas Butler, Samuel Street, George Ball, Marshal Lewis, Richard Woodruff, James Durham, George Shaw, Samuel Theal, George Lacey, Henry Mittleberger, John Hill, William McLellan, Samuel Peters Jarvis, James Black, Crowell Wilson, J. B. McCaulay, William Smith, Jacob Keefer, Robert Nelles, Grant Powell, Thaddeus Davis, Edward McBride, and Alexander Wood,

SEND GREETING.

Whereas by a certain deed bearing date the 23rd day of August, in the year of our Lord one thousand eight hundred and twenty-six, and made between the parties whose hands and seals are thereunto set and subscribed, and the Welland Canal Company—after reciting that by an Act of the Parliament of the Province of Upper Canada, passed the 19th day of January in the year of our Lord 1824, for the incorporation of certain persons under the name of the said Welland Canal Company, it was amongst other things enacted that the Directors of the said Company should have full power and authority to explore the country lying between the River Welland and the District of Niagara and Lake Ontario, and to designate and establish, and for the said Company to take, appropriate, have and hold, to and for the use of them and their successors, the line and boundaries of an intended Canal, with its necessary Locks, Towing Paths, Basins and Railways to connect the River Welland with Lake Ontario, and also to select such convenient scites for such and so many Mills, Manufactories, Warehouses and other erections as might be required by the said Company for the purposes thereof, and to purchase the same to and for the use of the said Company. Provided that nothing therein contained should compel the owner of any Mill seat to sell, convey or otherwise depart with the same to the said Company, and also that in case the owner or owners, occupier or occupiers of any Mill seats on the line of the said Canal, or within 500 yards thereof, should consider the same in any manner injured, or the value thereof in any way depreciated from the erection of rival establishments or from any other cause growing out of the cutting and making the said Canal, and for the compensation of which no provision should have been made by that Act, it should and might be lawful for the said Company, and they were thereby required to purchase the same at a fair valuation founded on an average of former years, to be ascertained by Arbitrators, as thereinafter provided, to ascertain the value of lands and

tenements to be purchased, or the amount of damages in any case sustained and also that the Directors of the said Company should be, and that they were thereby empowered to contract, compound, compromise and agree with the owners and occupiers on any land through or upon which they might determine to cut and construct the said intended canal and appurtenances, either for the absolute purchase of so much of the said land as they should require for the purposes of the said Company, or for the damages which he, she, or they, should and might be entitled to recover from the said Company in consequence of the said intended Canal, &c., being cut and constructed in and upon his, her, or their respective lands—and that in case of any disagreement between the said Directors and the owner or owners, occupier or occupiers aforesaid, it should and might be lawful from time to time as often as the said Directors should think fit, for each owner or occupier so disagreeing with the said Directors, either upon the value of the lands and tenements proposed to be purchased or upon the amount of damages to be paid to them as aforesaid, to nominate and appoint one indifferent person and for the said Directors to nominate and appoint an equal number of indifferent persons who together with one other person to be elected by ballot by the said persons so named should be Arbitrators to award, determine, adjudge and order the respective sums of money which the said Company should pay to the respective persons entitled to recover the same, the award of a majority of whom shall be final, after reciting also that by a certain other Act passed on the 13th day of January last passed, Entitled "An Act to repeal parts of and to explain "and amend the several Acts of this Province re-"lating to the Welland Canal Company," it is amongst other things enacted that the value of any Mill Seat or Tract of Land which the said Company should be authorised to purchase for the purposes of Machinery should be ascertained in case of disagreement by Arbitrators in the same manner as the value of land was to be assessed through which the said Canal should pass, and that the said Arbitrators should be also empowered to decide whether the mill seat or scite, or other Machinery desired by the said Company, were such as the person owning the same could be compelled to part with, to the said Company, and that the said Arbitrators so to be appointed as aforesaid, should and might and that they were thereby authorised and required in assessing the value of any lands or tenements of any person or persons proposed to be purchased by the said Company or the amount of damages to be paid by the said Company to any person or persons under the provision of the seventh clause of the said 1st therein in part recited Act to take into their consideration the advantages likely to accrue as well as the injury or damage occasioned to lands or tenements by reason of the said canal; and also that all matters of disagreement or dispute to be settled or determined by Arbitration under the Provision of the said 7th clause of the aforesaid Act should be referred to Arbitrators as therein provided so that the award or awards of such Arbitrators might be made, published and declared, on or before the first day of September then next ensuing after reciting also that some disagreement had taken place between the Directors of the said Company and the respective parties to the said Deed (the said parties to the said Deed respectively being the respective owners and occupiers of certain lands and tenements required by the said Company for the line and boundaries of the said Canal, and for scites for mills, manufactories, ware houses, and other erections for the purposes theroof) both as respects the value of such lands and premises as the said Company was desirous of actually purchasing as well as the damages which the said parties respectively might be entitled respectively to recover from the said Company in consequence of the said Canal and appurtenances according to the provisions of the said therein in part recited Acts.—And after reciting also that for settling and determining the value of such lands, tenements and premises, as well as such damages aforesaid, and all other matters between the said respective parties to the said Deed and the said Company to be settled adjusted and determined by Arbitration according to the provisions of the therein in part recited Acts, and the true intent and meaning thereof,—the said parties to the said Deed had severally and respectively agreed to refer the same premises to Arbitration and to nominate and appoint Arbitrators in that behalf according to the purport, true intent, and meaning of the said Acts—the said parties to and executing the said Deed did and each of them respectively did nominate, constitute, and appoint their several and respective Arbitrators in the premises aforesaid, that is to say, the said parties to and executing the said Deed being owners and occupiers of land on the Route of the said Canal did nominate, constitute and appoint Henry Mittleberger, Abraham Nelles, Richard Woodruff, Thomas Butler, Samuel Street, George Ball, Marshall Lewis, James Durham, George Shaw, Samuel Theal, George Lacey, William McLellan, and John Hill, as their arbitrators in the premises, and the said Company did nominate, constitute, and appoint Grant Powell, Alexander Wood, Samuel Peters Jarvis, James Black, Crowell Willson, James B. Macaulay, Samuel Street, William Smith, Thaddeus Davis, Jacob Keefer, John Warren, Robert Nelles, and Edward McBride, as their arbitrators in the premises.

And the said parties to the said Deed respectively did thereby covenant, promise and agree, well and truly to stand to, obey, abide by, observe, perform, fulfil and keep the award, order, arbitrament and final determination of the said above named Arbitrators, and the person to be appointed by them pursuant to the said Act, first above therein recited, or the majority of them, according to the terms and provisions of the said Act, touching and concerning all and every such matters and things respectively thereinbefore mentioned as should be submitted to the said Arbitrators, under the provisions of the said, therein in part recited Acts, and be in difference between the said parties to the said Deed respectively and the said Welland Canal Company—it being thereby fully declared, understood and agreed by and between the parties thereto respectively, that (without any separate or specific explanation thereof by and in the said Deed or submission) all matters of disagreement or dispute by and between the said respective persons, parties to, and executing the said Deed and the said Company, to be settled or determined by Arbitration according to the provisions of the thereinbefore in part recited Acts, of what nature or kind soever should be and were thereby agreed to be referred to the Arbitrators thereinbefore appointed and the person

o be appointed by them according to and in compli-nce with the provisions of the said therein in part ecited Acts and the true intent and meaning thereof. And it was also agreed by and between the said par-ies, to the said Deed, that the said Deed and the ubmission thereby made should be made a rule of His Majestys Court of King's Bench for the Prov-nce of Upper Canada, pursuant to the Statute in that ehalf.

And Whereas, the Arbitrators appointed by the aid Deed, appointed by ballot, the Hon. Thomas Clark as an Arbitrator with them in the premises foresaid, according to the Statute in that behalf, before entering upon the said reference.

Now know Ye, that we, the said Thomas Clark, Abraham Nelles, Thomas Butler, Saml. Street, George Ball, Marshall Lewis, Richard Woodruff, James Durham, George Shaw, Saml. Theal, George Lacey, Henry Mittleberger, John Hill, William McClellan, Saml. P. Jarvis, James Black, Crowell Willson, James B. Macaulay, Wm. Smith, Jacob Keefer, Robert Nelles, Grant Powell, Thaddeus Davis, Edward McBride, and Alexander Wood, being a majority of the Arbitrators in the said Deed named :—

Having taken upon ourselves the burthen of the said Arbitration so referred to us as aforesaid, and having heard and duly considered the allegations, vouchers, proofs and witnesses of the said parties do make this our award in writing, of and concerning the premises to us referred, as follows, that is to say :—

First, In the matter between Nathan Pawling and the said Welland Canal Company we, the undersigned do find, award, determinine and declare that the advantages of the said Welland Canal, as respects the lands of the said Nathan Pawling are equivalent to the value of the lands proposed to be taken by the said Company, being estimated at 4 and ½ acres, and of all injury or damage occasioned to the lands of the said Nathan Pawling by reason of the said Canal.

Saml. P. Jarvis,	H. Mittleberger,
James Black,	Richard Woodruff,
Thaddeus Davis,	George Shaw,
Salm. Theal,	James Durham,
Crowell Willson,	Samuel Street,
Robert Nelles,	T. Butler,
Jacob Keefer,	Alexander Wood,
George Ball,	A. Nelles,
Marshall Lewis,	J. B. Macaulay,
Grant Powell,	Thomas Clark.

Second, In the matter between Robert Brown and the said Welland Canal Company, we, the undersigned do find, award, determine and declare that the said Company shall pay to the said Robert Brown at the rate of twelve pounds ten shillings, lawful money of Upper Canada per acre, for 12 acres of meadow land of the said Robert Brown, to be overflowed by the said Canal, and in the same proportion for any greater or smaller quantity of the said meadow land that may be so overflowed. And also that the said Company shall pay to the said Robert Brown at the rate of £5 per acre for 4½ acres of pasture land lying adjacent to the aforesaid meadow, without the fence of the said Robert Brown, to be overflowed by the said Canal—and in the same proportion for any greater or smaller quantity of the said pasture land that may be so overflowed.

Saml. P. Jarvis,	Marshall Lewis,
James Black,	George Lacey,
Thaddeus Davis,	Alexander Wood
Edward McBride,	J. B. Macaulay,
Crowell Willson,	Thomas Clark,
Robt. Nelles,	T. Butler,
Wm. Smith,	Samuel Street,
Jacob Keefer,	George Ball,
Grant Powell,	A. Nelles,
Wm. McClellan,	James Durham,

Saml. Theal.

Third, In the matter between Jacob Tenbroeck and the said Welland Canal Company we, the undersigned do find, award, determine and declare, that the said Company shall pay to the said Jacob Tenbroeck at the rate of thirteen pounds per acre for three acres of meadow land of the said Jacob Tenbroeck, taken by the said Company for a Tow Path, and at the same rate for any greater quantity of meadow land of the said Jacob Tenbroeck, of equal quality, taken by the said Company—and also that the said Company shall pay to the said Jacob Tenbroeck at the rate of £7 10s. per acre for 6¾ acres of other land of the said John Tenbroeck, (being bottom and side hill) as per estimate of Darius Lapham, Assistant Engineer, taken or overflowed by the said Company, and in the same proportion for any greater or less quantity of similar land. And as respects 12 acres of meadow and marsh land of the said Jacob Tenbroeck adjoining the premises of Wm. M. Ball, being a small point cut off and to be overflowed by the said Canal, we do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said Jacob Tenbroeck, are equivalent to the value of the last mentioned lands of the said Jacob Tenbroeck and of all injury or damage occasioned thereto by reason of the said Canal.

Thomas Clark,	John Hill,
T. Butler,	Jacob Keefer,
Samuel Street,	Samuel P. Jarvis,
Richard Woodruff,	James Black,
Robert Nelles,	Thaddeus Davis,
George Ball,	Edward McBride,
H. Mittleberger,	Crowell Willson,
A. Nelles,	Wm. Smith,
George Shaw,	William McClellan,
George Lacy,	Grant Powell,
James Durham,	Marshall Lewis,
Samuel Theal,	Alexander Wood,

John B. Macaulay.

Fourth. In the matter between John Tenbroeck and the said Welland Canal Company, we the undersigned do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said John Tenbroeck are equivalent to the land and soil of the said John Tenbroeck, actually required for the construction of the said Canal and tow path, being that part lying a little below a Bridge,—and of all injury or damage occasioned to the lands of the said John Tenbroeck by reason of the said Canal—in case no meadow land shall hereafter be overflowed thereby. But should any meadow land of the said John Tenbroeck be hereafter overflowed by reason of the said Canal then and in such case we the undersigned find, award, determine, and declare that the said Company shall pay to the said John Tenbroeck

at the rate of £13 per acre for every acre of meadow land so overflowed, and in that proportion for any greater or less quantity.—And we do hereby declare that it is not to be understood by this our award that any lands of the said John Tenbroeck cut off or separated from the main farm by the said Canal and not overflowed or actually required for this said Canal or tow paths is to be considered as belonging to the said Company but that the same shall continue to be the property of the said John Tenbroeck.

Dated this 31st day of August, 1826.

Samuel Street,	Grant Powell,
Richard Woodruff,	William McClellan,
Samuel P. Jarvis,	Marshall Lewis,
James Black,	George Lacey,
Edward McBride,	James Durham,
Thaddeus Davis,	Samuel Theal,
Robert Nelles,	John Hill,
Crowell Willson,	Alexander Wood,
Jacob Keefer,	Thomas Clark,
George Ball,	J. B. Macaulay.

George Shaw.

Fifth. In the matter between Job Northrup and the said Welland Canal Company, We the undersigned do find, award, determine, and declare that the advantages of the said canal as respects the lands of the said Job Northrup, are equivalent to the value of the said lands and soil of the said Job Northrup actually required for the construction of the said canal tow-paths and appurtenances, estimated at six and six-tenths acres of meadow land and of all injury or damage occasioned to the said lands of the said Job Northrup by reason of the said Canal.

But in case the said Company shall require and take any greater quantity of the lands of the said Job Northrup than shall be required as aforesaid, as a scite or scites for mills, machinery, or Hydraulic purposes independent of the Canal itself, then and in such case, we the undersigned, do find, award, determine, and declare that the said Company shall pay to the said Job Northrup for any extra quantity of his lands so taken and required as last aforesaid at the rate of £25 per acre and so in proportion for any greater or less quantity.

Dated this 31st day of August, 1826.

Thomas Clark,	William Smith,
T. Butler,	A. Nelles,
Samuel Street,	George Shaw,
Richard Woodruff,	William McClellan,
James Black,	George Lacey,
George Ball,	James Durham,
H. Mittleberger,	John Hill,

J. B. Macaulay.

Sixth. In the matter between Adam Gould and the said Welland Canal Company, We the undersigned do find, award, determine and declare, that the said Company shall pay to the said Adam Gould for the meadow land of the said Adam Gould taken and required for the said Canal being estimated at 8 acres, at the rate of £12 10s. per acre, and in proportion for any greater or less quantity.—And further that the advantages of the Canal to the lands of the said Adam Gould, are equivalent to all other damages occasioned to the lands of the said Adam Gould by reason of the said Canal.

Dated this 31st day of August, 1826.

Samuel P. Jarvis,	William Smith,
James Black,	Jacob Keefer,
Edward McBride,	William McClellan,
Thaddeus Davis,	Grant Powell,
Crowell Willson,	Marshall Lewis,
Robert Nelles,	Samuel Theal,
H. Mittleberger,	Alexander Wood,

J. B. Macaulay.

Seventh, In the matter between John Hainer and the Welland Canal Company, we the undersigned, do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said John Hainer, are equivalent to the value of the lands and soil proposed to be taken by the said Company for the said Canal—being estimated at thirteen acres, and of all injury or damage occasioned to the lands of the said John Hainer by reason of the said Canal.

Dated this 31st day of August, 1826.

A Nelles,	Saml Theal,
T. Butler,	H. Mittleberger,
Samuel Street,	Wm. McClellan,
Thomas Clark,	Saml. P. Jarvis,
Alexander Wood,	James Black,
John Hill,	Crowell Willson,
George Lacey,	Wm. Smith,
George Ball,	Jacob Keefer,
Marshall Lewis,	Robert Nelles,
Richard Woodruff,	Grant Powell,
James Durham,	Thaddeus Davis,
George Shaw,	Edward McBride,

J. B. Macaulay.

Eighth, In the matter between Thomas Merritt and Wm. H. Merritt, and the said Welland Canal Company, we the undersigned do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said Thomas Merritt, and Wm. H. Merritt, (excepting the Mill seat and appurtenances hereafter mentioned,) are equivalent to the value of the lands proposed to be taken by the said Company, being estimated at $9\frac{3}{4}$ acres, and all injury or damage occasioned thereto, by reason of the said Canal.

It being intended that the said Company should purchase the Mill seat, Mills and appurtenances of the said Thomas Merritt and Wm. H. Merritt, we the undersigned do award, determine and declare that the said Company shall pay to the said Thomas Merritt and Wm. H. Merritt, the sum of £600 of lawful money of Upper Canada, in full compensation for the said Mill Seat, Mills, lands (estimated at 7 or 8 acres) and buildings appurtenant thereto.

Dated this 31st day of August, 1826.

A Nelles,	Samuel Theal,
T. Butler,	George Lacey,
Samuel Street,	H. Mittleberger,
Thomas Clark,	Samuel P. Jarvis,
Alexander Wood,	James Black,
John Hill,	Crowell Willson,
Wm. McClellan,	William Smith,
Richard Woodruff,	Jacob Keefer,
George Ball,	Robert Nelles,
Marshal Lewis,	Grant Powell,
James Durham,	Thaddeus Davis,
George Shaw,	Edward McBride,

J. B. Macaulay.

Ninth. In the matter between John Clendenning and the said Welland Canal Company, We the un-

dersigned do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said John Clendenning are equivalent to the value of the lands and soil of the said John Clendenning (estimated at three and one-tenth acres; to be overflowed,) actually required for the construction of the said Canal, tow-paths, and appurtenances, and of all injury or damage occasioned to the lands of the said John Clendenning by reason of the said Canal. But in case the said Canal Company shall require and take any greater quantity of the lands of the said John Clendenning, than shall be actually required as aforesaid, as a scite or scites for mills, machinery, or for Hydraulic purposes independent of the Canal itself, or in case any excess or meadow land of the said John Clendenning beyond the quantity of three and one-tenth acres above specified shall be overflowed by reason of the said Canal, then and in such case, we the undersigned do find, award, determine and declare that the said Company shall pay to the said John Clendending for any extra quantity of his lands so taken, required or overflowed as last aforesaid, at the rate of £25 per acre, and so in proportion for any greater or less quantity.

Dated this 31st day of August, 1826.

A. Nelles,
T. Butler,
Samuel Street,
George Ball,
Marshall Lewis,
Richard Woodruff,
James Durham,
George Shaw,
Samuel Theal,
George Lacey,
H. Mittleberger,
John Hill,
William McClellan,
Crowell Willson,
Samuel P. Jarvis,
James Black,
Wm. Smith,
Jacob Keefer,
Robert Nelles,
Grant Powell,
Thaddeus Davis,
Edward McBride,
J. B. Macaulay,
Thomas Clark,
Alexander Wood.

Tenth. In the respective matters between William Chisholm, William C. Chase, William Sanderson, Isabella Stewart, Elizabeth Shipman, Jonathan Clendenning, Elias Adams, Oliver Phelps, John Soper, and William Youall, respectively, and the said Welland Canal Company.

We the undersigned do find, award, determine, and declare that the advantages of the said canal as respects the lands of the said parties above named respectively, are equivalent to the loss of lands and soil of the said parties respectively, actually required for the construction of the said canal, tow-paths and appurtenances, estimated as follows, that is to say:—

Of the said William Chisholm, $2\frac{1}{7}$ acres.

Of the said William C. Chase, about $\frac{1}{4}$ of an acre.

Of the said William Sanderson, nearly $\frac{1}{4}$ of an acre.

Of the said Isabella Stewart, a small piece off her lot.

Of the said Elizabeth Shipman, $\frac{1}{8}$ of an acre.

Of the said Jonathan Clendenning, nearly $6\frac{3}{4}$ acres.

Of the said Elias Adams, about $\frac{2}{3}$ of an acre.

Of the said Oliver Phelps, about 13 acres.

Of the said John Soper, 1 acre, and

Of the said William Youall, 3 or 4 acres.

Dated this 31st day of August, 1826.

A. Nelles,
T. Butler,
Samuel Street,
George Ball,
Marshall Lewis,
Richard Woodruff,
James Durham,
George Shaw,
Samuel Theal,
George Lacey,
H. Mittleberger,
John Hill,
William McClellan
Crowell Willson,
Thaddeus Davis,
Edward McBride,
Samuel P. Jarvis,
James Black,
William Smith,
J. Keefer,
Robert Nelles,
Grant Powell,
J. B. Macaulay,
Alexander Wood,
Thomas Clark.

Eleventh. In the matter between Francis Goring Parnell and the said Welland Canal Company, We the undersigned do find award and determine and declare that the said Company shall pay to the said Francis Goring Parnell the sum of £30, in full compensation for the mill seat of the said Francis Goring Parnell, required and taken for the said Canal, estimated as containing five acres of the lands of the said Francis Goring Parnell—and that the advantages of the said Canal, as respects the lands of the said Francis Goring Parnell, are equivalent to all other damages to his lands by reason of the said Canal.

Dated this 31st day of August, 1826.

A. Nelles,
T. Butler,
Samuel Street,
George Ball,
Marshall Lewis,
Richard Woodruff,
James Durham,
George Shaw,
Samuel Theal,
George Lacey,
H. Mittleberger,
John Hill,
Wm. McClellan,
Crowell Willson,
Samuel P. Jarvis,
James Black,
Wm. Smith,
Jacob Keefer,
Robert Nelles,
Grant Powell,
Thaddeus Davis,
Edward McBride,
Thomas Clark,
Alexander Wood,
J. B. Macaulay.

Twelfth. In the matter between Zachariah Rykert and the said Welland Canal Company, We the undersigned do find, award, determine and declare that the said Company shall pay to the said Zachariah Rykert the sum of £15, in full compensation for the lands of the said Zachariah Rykert, (estimated at 5 acres) required and proposed to be taken for the said Canal, and that the advantages of the said Canal as respects the lands of the said Zachariah Rykert are equivolent to all other damages to his lands by reason of the said Canal.

Dated this 31st day of August, 1826.

A. Nelles,
T. Butler,
Samuel Street,
George Ball,
Marshal Lewis,
Richard Woodruff,
James Durham,
George Shaw,
Samuel Theal,
George Lacey,
H. Mittleberger,
John Hill,
Wm. McClellan,
Crowell Willson,
Samuel P. Jarvis,
James Black,
Wm. Smith,
Jacob Keefer,
Robert Nelles,
Grant Powell,
Thaddeus Davis,
Edward McBride,
Thomas Clark,
Alexander Wood,
J. B. Macaulay.

Thirteenth. In the matter between Robert Dettrick and the said Welland Canal Company, We the

undersigned do find, award, determine and declare, that the said Company shall pay to the said Robert Dettrick the sum of £2 10 per acre for each acre of the lands of the said Robert Dettrick, estimated at 3¾ acres, required and taken for the said Canal, and so in proportion for any greater or less quantity thereof, and that the advantages of the said Canal as respects the lands of the said Robert Dettrick are equivalent to all other damages to his lands by reason of the said Canal.

Dated this 31st day of August, 1826.

A. Nelles,	Wm. McClellan,
T. Butler,	Crowell Wilson,
Samuel Street,	Samuel P. Jarvis,
George Ball,	James Black,
Marshal Lewis,	Wm. Smith,
Richard Woodruff,	Jacob Keefer,
James Durham,	Robert Nelles,
George Shaw,	Grant Powell,
Samuel Theal,	Thaddeus Davis,
George Lacey,	Edward McBride,
H. Mittleberger,	Thomas Clark,
John Hill,	Alexander Wood,

J. B. Macaulay.

Fourteenth. In the matter between the Widow Wright and the said Welland Canal Company, Alexander Nickerson on behalf of the said Widow Wright. We the undersigned do find, award, determine and declare that the advantages of the said Canal, as respects the lands in the possession of the said Widow Wright are equivalent to the value of the lands and soil actuaally required and taken for the construction of the said Canal, tow-paths and appurtenances, being estimated at 13 acres of land.

But in case the said Company shall require and take any greater quantity of the lands of the said Widow Wright than shall be required as aforesaid as appurtenant to the lock or locks erected on the said premises, or as a site or sites for mills, machinery, or hydraulic purposes, independent of the Canal itself, then and in such case we the undersigned award, determine, and declare that the said Company shall pay to the said Widow Wright for any extra quantity of lands so taken or required as aforesaid at the rate of £3 14s. per acre, and so in proportion for any greater or less quantity.

Dated this 31st day of August, 1826.

Samuel P. Jarvis,	H. Mittleberger,
James Black,	William Smith,
Edward McBride,	Jacob Keefer,
Thaddeus Davis,	A. Nelles,
Robert Nelles,	Grant Powell,
Crowell Willson,	Alexander Wood,

J. B. Macaulay.

Fifteenth. In the matter between Jacob J. Ball and the said Welland Canal Company, we the undersigned do find, award, determine, and declare that the advantages of the said Canal as respects the lands of the said Jacob J. Ball, are equivalent to the value of the lands and soil of the said Jacob J. Ball actually required for the construction of the said canal, tow paths and appurtenances, estimated at 5½ acres and of all injury or damage occasioned to the lands of the said Jacob J. Ball, by reason of the said canal. But in case the said Company shall require and take any greater quantity of the lands of the said Jacob J. Ball than shall be required as aforesaid as appurtenant to the lock or locks erected on the said premises or as a site or sites for mills, machinery, or Hydraulic purposes independent of the canal itself, then and in such case we the undersigned do award, determine and declare, that the said Company shall pay to the said Jacob J. Ball for any extra quantity of his lands so taken or required as last aforesaid, at the rate of £5 per acre, and so in proportion for any greater or less quantity.

Dated this 31st dvy of August, 1826.

Samuel P. Jarvis,	J. B. Macaulay,
James Black,	Thomas Clark,
Thaddeus Davis,	Samuel Street,
Robert Nelles,	William McClellan,
Jacob Keefer,	T. Butler,
Grant Powell,	Marshal Lewis,
Alexander Wood,	Crowell Willson.

Sixteenth. In the matter between Thomas Kerr and the said Welland Canal Company, We the undersigned do find, award, determine and declare, that the advantages of the said Canal as respects the lands of the said Thomas Kerr are equivalent to the value of the lands and soil of the said Thomas Kerr, actually required for the construction of the said Canal, tow paths, and appurtenances estimated at 4 acres and one-fifth of an acre, and of all injury or damage occasioned to the lands of the said Thomas Kerr, by reason of the said Canal.

But in case the said Company shall require or take any greater quantity of the lands of the said Thomas Kerr, than shall be required as aforesaid, as appurtenant to the lock or locks erected on the said premises or as a site or sites for mills, machinery, or Hydraulic purposes independent of the Canal itself, then and in such case we the undersigned do award, determine and declare that the said Company shall pay to the said Thomas Kerr, for any extra quantity of his lands so taken or required as last aforesaid, at the rate of £5 per acre and so in proportion for any greater or less quantity.

Dated this 31st day of August, 1826.

Samuel P. Jarvis,	J. B. Macaulay,
James Black,	Thomas Clark,
Edward McBride,	Samuel Street,
Thaddeus Davis,	Wm. McClellan,
Robert Nelles,	T. Butler,
Crowell Willson,	Marshal Lewis,
H. Mittleberger,	George Ball,
William Smith,	James Durham,
Jacob Keefer,	Richard Woodruff,
A. Nelles,	George Shaw,
Grant Powell,	Samuel Theal,
Alexander Wood,	George Lacey,

John Hill.

Seventeen. In the matter between the widow Elizabeth Ball and the said Welland Canal Company, We the undersigned do find, award, determine and declare that the advantages of the said Canal as respects the lands of the said Elizabeth Ball are equivalent to the value of the lands and soil of the said Elizabeth Ball, actually required for the construction of the said Canal, tow paths and appurtenances, estimated at four acres and one fifth of an acre, and of all injury or damage occasioned to the lands of the said Elizabeth Ball, by reason of the said Canal.

But in case the said Company shall require and take any greater quantity of the lands of the said Elizabeth Ball than shall be required as aforesaid, as appurtenant to the lock or locks or as a site or sites for mills, machinery, or Hydraulic purposes independent of the Canal itself, then and in such case we the undersigned award, determine and declare that the said Company shall pay the said Elizabeth Ball for any extra quantity of her lands so taken or required as last aforesaid, at the rate of £5 an acre and so in proportion for any greater or less quantity.

Dated this 31*st day of August*, 1826.

Samuel P. Jarvis,	J. B. Macaulay,
James Black,	Thomas Clark,
Edward McBride,	Samuel Street,
Thaddeus Davis,	William McClellan,
Robert Nelles,	T. Butler,
Crowell Willson,	Marshal Lewis,
H. Mittleberger,	George Ball,
Wm. Smith,	James Durham,
Jacob Keefer,	Richard Woodruff,
A. Nelles,	George Shaw,
Grant Powell,	Samuel Theal,
Alexander Wood,	George Lacey,

John Hill.

Eighteenth. In the matter between Luke Carroll and the said Welland Canal Company, We the undersigned do award, determine, and declare that the said Company shall pay to the said Luke Carroll the sum of £5 per acre for each acre of the lands of the said Luke Carroll required or taken for the said Canal, estimated at 16½ acres and so in proportion for any greater or less quantity.

And also that the said Company shall pay to the said Luke Carroll the sum of £25 in full satisfaction for the loss of fruit-trees, grain, &c., mentioned in the testimony of the said Luke Carroll, by reason of the said Canal.

Proveded nevertheless, that in case the well of the said Luke Carrell, in the line of the Canal shall hereafter be destroyed or injured thereby, the said Luke Carrell shall be entitled to demand and have compensation therefor from the said Company, the same not having been included in this award.

Dated this 31*st day of August*, 1826.

Samuel P. Jarvis,	Jacob Keefer,
James Black,	Grant Powell,
Thaddeus Davis,	Marshal Lewis,
Crowell Willson,	Alexander Wood,
Robert Nelles,	Thomas Clark,
George Ball,	J. B. Macaulay,
William Smith,	H. Mittleberger.

Nineteenth. In the matter between Jacob Bowman and the said Welland Canal Company, We the undersigned do award, determine and declare that the said Company shall pay to the said Jacob Bowman at the rate of £5 per acre for each acre of the lands of the said Jacob Bowman actually required and taken for the said Canal estimated at 9½ acres and in proportion for any greater or less quantity.

And that the advantages of the said Canal as respects the lands of the said Jacob Bowman are equivalent to all other damages occasioned thereto by reason of the said Canal.

Dated this 31*st day of August*, 1826.

Samuel P. Jarvis,	William Smith,
James Black,	Jacob Keefer,
Thaddeus Davis,	Grant Powell,
Crowell Willson,	Marshal Lewis,
Robert Nelles,	Alexander Wood,
George Ball,	J. B. Macaulay,
H. Mittleberger,	William McClellen,

James Durham.

Twentieth. In the matter between George Marlatt and the said Welland Canal Company, We the undersigned do find, award, determine and declare, that the advantages of the said canal as respects the lands of the said George Marlatt, are equivalent to the value of the upland of the said George Marlatt, actually required for the construction of the said canal, (estimated at 9¼ acres)—But that the said Company shall pay to the said George Marlatt, at the rate of £4 per acre for each acre of the meadow land of the said George Marlatt, estimated at 9¼ acres, required and taken for the said canal, and so in proportion for any greater or less quantity thereof.—And also that the said Company shall pay to the said George Marlatt, the sum of £16 5s., in full satisfaction for damages to fences and all other damages to the lands of the said George Marlatt, by reason of the said Canal.

Dated this 31*st day of August*, 1826.

Saml. P. Jarvis,	Grant Powell,
James Black,	Marshall Lewis,
Thaddeus Davis,	Alexander Wood,
Crowell Willson,	J. B. Macaulay,
Robt. Nelles,	H. Mittleberger,
Wm. Smith,	A. Nelles,
Jacob Keefer,	George Shaw.

Twenty-one, In the matter between Andrew Willson and the said Welland Canal Company, we the undersigned do find, award, determine and declare that the said Company shall pay to the said Andrew Willson at the rate of £3 per acre for each acre of the lands of the said Andrew Willson actually required and taken for the said Canal, estimated at 17 acres, and so in proportion for any greater or less quantity.

And that the advantages of the said Canal as respects the lands of the said Andrew Willson are equivalent to all other damages occasioned thereto by reason of the said Canal.

And further that the said Company shall pay to the said Andrew Willson the sum of £6 in full satisfaction for loss of Hay and all other damages of a like nature.

Dated this 31*st day of August* 1826.

Saml. P. Jarvis,	Grant Powell,
James Black,	Thomas Clark,
Thaddeus Davis,	Wm. McClellan,
Crowell Willson,	James Durham,
Robert Nelles,	A. Nelles,
George Ball,	George Shaw,
Wm. Smith,	Edwd. McBride,
Jacob Keefer,	T. Butler,
H. Mittleberger,	Samuel Theal.

Twenty second, In the matter between Hall Davis and the Welland Canal Company, we the undersigned do find, award, determine and declare, that the said Company shall pay to the said Hall Davis at the rate of £2 per acre, for each acre of the land of

the said Hall Davis actually required and taken for the said Canal (estimated at 18½ acres,) and so in proportion for any greater or less quantity. And that the advantages of the said Canal, as respects the lands of the said Hall Davis, are equivalent to all other damages occasioned thereto by reason of the said Canal.

Dated this 31*st day of August*, 1826.

T. Butler,	Wm. McClellan,
Samuel Street,	Marshall Lewis,
Richard Woodruff,	George Lacey,
James Black,	James Durham,
Samuel P. Jarvis,	Samuel Theal,
Crowell Wilson,	John Hill,
Robert Nelles,	Alexander Wood,
Wm. Smith,	J. B. Macaulay,
George Ball,	Thomas Clark,
George Shaw,	Edwd. McBride,

A Nelles.

Twenty third, In the matter between Jeremiah Atley and the said Welland Canal Company, we the undersigned do find, award, determine and declare that the advantages of the said Welland Canal as it respects the lands of the said Jeremiah Atley, are equivalent to the value of the lands proposed to be taken by the said Company, being estimated at three and one fifth acres, and of all injury or damage occasioned to the lands of the said Jeremiah Atley by reason of the said Canal.

Dated this 31*st day of August*, 1826.

T. Butler,	Marshall Lewis,
Samuel Street,	Alexander Wood,
Richard Woodruff,	J. B. Macaulay,
James Black,	Thomas Clark,
Samuel P. Jarvis,	Edward McBride,
Crowell Wilson,	A. Nelles,
Robert Nelles,	Jacob Keefer,
George Ball,	H. Mittleberger,
George Shaw,	Thaddeus Davis,

Grant Powell.

Twenty fourth, In the matter between Samuel Swayzee and the said Welland Canal Company, we the undersigned do find, award, determine and declare, that the said Company shall pay to the said Samuel Swayzee at the rate of £3 per acre for each acre of the lands of the said Samuel Swayzee actually required and taken for the said Canal. (Estimated at 12½ acres) and so in proportion for any greater or less quantity—and that the advantages of the said Canal as respects the lands of the said Samuel Swayzee are equivalent to all other damages occasioned thereto by reason of the said Canal. Except the damages occasioned by the general losses and injuries to his Estate for the last two years, in full compensation for which we award and direct that the said Company do pay the said Samuel Swayzee the sum of £25 0, 0.

Dated this 31*st day of August*, 1826.

T. Butler,	Marshall Lewis,
Samuel Street,	George Lacy,
Richard Woodruff,	Samuel Theal,
James Black,	Alexander Wood,
Saml. P. Jarvis,	J. B. Macaulay,
Crowell Wilson,	Thomas Clark,
Robert Nelles,	Edwd. McBride,
Wm. Smith,	A. Nelles,
George Ball,	Jacob Keefer,
George Shaw,	H. Mittleberger,
Wm. McClellan,	Thaddeus Davis,

Grant Powell.

No. 25

In the matter between Garrett Vanderburgh and the said Welland Canal Company, We, the undersigned, do find, award, determine and declare, that the said Company shall pay to the said Garret Vanderburgh at the rate of £2 10s. per acre, for each acre of the lands of the said Garrett Vanderburgh, required and taken for the said Canal, estimated at 50 acres, and so in proportion for any greater or less quantity; and that the advantages of the said Canal as respects the lands of the said Garrett Vanderburgh, are equivalent to all other damages occasioned thereto by reason of the said Canal.

Dated this 31*st day of August*, 1826.

T. Butler,	H. Mittleberger,
Samuel Street,	Thaddeus Davis,
Crowell Wilson,	George Lacy,
Robert Nelles,	James Durham,
William Smith,	Samuel Theal,
George Ball,	John Hill,
George Shaw,	Alexander Wood,
William M'Lellan,	Thomas Clark,
Jacob Keefer,	A. Nelles.

No. 26.

In the matter between John Carl and the said Welland Canal Company, We, the undersigned, do find, award, determine and declare, that the said Welland Canal Company, do pay to the said John Carl, at the rate of £2 per acre for each acre of the lands of the Said John Carl, actually required and taken, for the said Canal, estimated at 61½ acres, and so in proportion for any greater or less quantity; and that the advantages of the said Canal, as respects the lands of the said John Carl, are equivalent to all other damages occasioned thereto by reasons of the said Canal.

Dated this 31*st day of August*, 1826.

T. Butler,	A. Nelles,
Samuel Street,	George Shaw,
Richard Woodruff,	Grant Powell,
Samuel P. Jarvis,	H. Mittleberger,
Thaddeus Davis,	Marshall Lewis,
James Black,	William M'Lellan,
Crowell Wilson,	Edward M'Bride,
Robert Nelles,	Alexander Wood,
Jacob Keefer,	Thomas Clark,
William Smith,	J. B. Macaulay.

No. 27.

In the matter between John Brown and the said Welland Canal Company, We, the undersigned do find, award, determine and declare, that the advantages of the said Canal, as respects the lands of the said John Brown, are equivalent to the loss of lands and soil estimated at 7½ acres actually required and taken for the construction of the said Canal and tow paths.

But that the said Company shall pay to the said John Brown the sum of £8 15s. for the timber of

the said John Brown, cut by the said Company upon the premises of the said John Brown upon the line originally laid out for the said Canal, the said Company being at liberty to remove such of the said timber as is still lying on the said premises thereby; and that the said Company do also pay to the said John Brown the sum of £25 in satisfaction for the injury and damage done by the said Company to the lands of the said John Brown, by means of the excavation in the vicinity of his barn made at the commencement of a tunnel formerly projected, but afterwards abandoned by the said Company, and of all other damages occasioned to the lands of the said John Brown, by reason of the said Canal.

Dated this 31*st day of August*, 1826.

T. Butler,	H. Hittleberger,
Samuel Street,	Wm. McClellan,
Richard Woodruff,	Edward McBride,
Crowell Willson,	Thomas Clark,
Robert Nelles,	J. B. Macaulay,
A. Nelles,	George Ball,
George Shaw,	George Lacey,
Grant Powell,	Samuel Theal,

James Durham.

It appearing that in the following cases the farms of the respective owners will be separated by the line of the canal, and the intercourse between the one part and the other obstructed thereby, namely: in the case of Robert Brown, the Widow Wright, (Zachariah Rykert, and F. G. Parnell,) (Jacob Bowman, and Luke Carroll,) Oliver Phelps, John Clendenning,) (and there may be others whose situations the Board may not be apprized.)

And it being indispensible that a means of passage across the Canal should be afforded to the respective proprietors at the expense of the Company but difficult nevertheless to adjust in the shape of damages sums equivalent to that object in the several cases mentioned (we the undersigned) understanding such to be the present intention of the said Company do hereby award and direct that the said Welland Canal Company do and shall furnish to the proprietors of farms divided, convenient means of passage across the Canal by bridges or scows at the expense of the Company, and that in case they shall neglect or refuse so to do the parties interested in the premises shall not be considered as precluded by this award from any future right to damages or compensation on that account.—*Provided always*, and it is hereby declared not to be intended to require the said Company to furnish any such accommodations in cases where the quantity of lands divided or cut off from any individual lot of land or farm, shall not exceed ten acres. We do hereby further award and declare that the enumeration of names in the introductory part of this part of our award of persons entitled to bridges or scows is not to be constructed to exclude a claim to similar accommodation, by all persons not named whose estates may be divided to the extent above specified and who shall not have access to the separated parcels by means of public bridges, or otherwise as commodiously as before the making of the Canal.

T. Butler,	A. Nelles,
Samuel Street,	George Shaw,
Richard Woodruff,	H. Mittleberger,
Thaddeus Davis,	William McClellan,
Crowell Willson,	George Lacey,
George Ball,	Samuel Theal,
James Durham,	Edward McBride.
Marshal Lewis,	Jacob Keefer,
Thomas Clarke,	Wm. Smith,
John Hill,	Alexander Wood,
James Black,	Samuel P. Jarvis.

1*st September*, 1826.

Moved that the Company do pay the costs of the Arbitration.

Yeas.—Messrs. Butler, Street, Woodruff, Davis, Willson, Ball, A. Nelles.

Nays.—Messrs. Black, McBride, Keefer, R. Nelles, Smith, Jarvis, Powell, Shaw, McClellan, Mittleberger, Theal, Lacey, Durham, Lewis, Hill, Clark, Macaulay, Wood.

It being doubtful whether this Board have a legal power to award costs under the present reference, the undersigned do hereby intimate, that if they had not until the conclusion of the individual awards, conceived they had the right to do so—they would, with a view to cover the expenses thereof, have enhanced the amounts awarded the respective parties—and trust the Welland Canal Company will pay the amount under such circumstances.

Yeas the same as the last division.

Estimate at £1 per day to each arbitrator.

T. Butler,	Wm. McClellan,
Samuel Street,	A. Mittleberger,
Richard Woodruff,	Samuel Theal,
Thaddeus Davis,	George Lacey,
George Ball,	Marshal Lewis,
Crowell Willson,	James Durham,
George Shaw,	John Hill,
A. Nelles,	Thomas Clark.

Witness present at the execution of the foregoing awards.

JOHN. G. SPRAGGE.

No. 9.

Letter, Samuel Clowes, Esquire, Civil Engineer, to Wm. Hamilton Merritt, Esquire.

SIR,

Many insinuations and reports having been in circulation respecting your conduct as Agent of the Welland Canal Company said to have arisen with me.

I take this opportunity of informing you that I never knew a single instance, while I was Principal Engineer to said Company, in which you have not individually acted correctly, and I believe with a view to the best interest of the Company.

Your humble servant,

SAMUEL CLOWES,

Civil Engineer.

Montreal, 20*th February*, 1827.

Wm. Hamilton Merritt, Esq.

No. 10.

LETTER.

James Clowes, Esquire, to William Hamilton Merritt, Esquire.

SIR,

Considering it to be honorable and just for a person who has committed an error to make immediate reperation—

And finding on reflection, and having obtained more correct information, that the publication I caused to be inserted in the Advocate published by William Lyon M'Kenzie, in February, relating to the offers made for the Deep Cut, was founded on information, which was not correct—

And further, I know of no circnmstance whatever relating to *your* conduct as Agent of the Welland Canal Company, which is not perfectly correct.

I am,

Sir,

Yours, &c.

JAMES CLOWES.

No. 11.

EXTRACT RESPECTING ROUTES.

To the Public.

I had determined on preserving the strictest silence until the completion of the undertaking in which I have the honor to be engaged, from a conviction that the rapid and successful progress of the work would give perfect and entire satisfactiou to every individual not immediately interested against it. To those who are, it will be idle to assign a reason or produce a proof. But from the various rumors and misrepresentations so industriously circulated, I conceive it becomes necessary to make a reply, and produce facts and authority to substantiate them. I will pass over without notice those malignant insinuations which have been levelled against me personally, and leave the public to discriminate between those who by a close application are exerting every faculty to assist in promoting an object which will be a credit to the age in which we live and those whose exertions are bent on retarding it.

The importance of this work is now so well understood, that those who considered it as a visionary undertaking, and folded their arms with a silent hope it would never come to maturity, do not venture openly to come out and express their real intentions, and oppose the measure; but endevour to create doubts, start difficulties, raise objections, and in their wisdom find out something which should or ought to have been done.

The whole drift of their argument is now directed from the merits of the undertaking and pointed at a certain individual who from *interested motives* has duped the Legislature, misled the stockholders, and been guilty of various other crimes and misdemeanours.

This individual is well aware it is much easier to declaim against, than to adopt and bring to maturity any undertaking where so many conflicting interesis are engaged.—He is likewise well aware, if he does his duty to his employers mueh angry feeling will be excited—and it affords him no ordinary satisfaction, that with all their clamour they have not been able to substantiate one single charge or accusation against him.

But to point, those who wish to retard the undertaking, endeavour to create a false impression on the minds of the public, by continuing to assert, from time to time, in the most positive manner, that the canal could have been taken to Niagara, or some other place by a shorter route, and at a saving of thousands of pounds.

Others endeavor to divert the public attention by stating that there should be a canal from the Thames to Burlington Bay—from Lake Simcoe to York, and various other places—any project to throw an obstacle in the way of one already undertaken—losing sight of the grand scheme of uniting Lakes Erie and Ontario by the most feasible and cheapest route; and thereby bringing into action the best and greatest portion of the province now dormant and almost wholly useless, besides participating in the greater part of the transit from the American side.

It requires very little discernment to ascertain the real and true value of those who admit the utility of the measure, providing it had terminated at this or that part, or had taken this or that direction.

We have been exploring from May 1823 until 1826; and it is well known to the Legislature that every objection has been raised, every argument made use of, and every means resorted to, to influence them against the present route, and induce them to adopt some other.

I will not attempt to answer those shameful misrepresentations by similar means.—Mere assertions, unsupported by a shadow of proof or authority, can have but little weight with the public.—But in the first place we will produce the authority which induced the Legislature to adopt this route.

Mr. Samuel Clowes, in his report of 8th August, 1825, states that a Canal on the most extensive scale can be completed on this route for near one half the expense of any other between Niagara and Burlington Bay.

With respect to the ravine, he says, the banks of this ravine and creek allow of every advantage, and will serve nearly all the excavation in the bottom of the same—the whole distance forming a natural canal 150 feet wide and nine feet deep.

Mr. Roberts, in his Report of 16th August 1825, states:—

"Having descended the Mountain the line is very straight, with a gentle declivity, to the head of the ravine, which has very much the appearance of a wide Canal; along which it is conducted with but little expense, except the necessary Locks and Waste weirs, clearing timber, and constructing Tow paths, Reservoirs, and natural Canals, from thence to Lake Ontario, seven miles and twenty chains."

Even Mr. Hall, after valuing the Harbor for eight feet water at £8,257, in his Report of the 8th March 1825, says the 12 mile Creek route will be the cheapest by £11306 4s. 10d.—referring however to the Western route.

It will be understood that the route to Niagara would have to deviate at the head of this ravine, or near it, about 120 feet above the level of Lake Ontario; be subject to the same Lockage, have to pass over the 10, 5, 4, 2, and 1 mile Creeks, with Culverts and heavy embankments, and the distance at least ten miles to the Niagara River.

However, as Engineers are liable to err in their opinions, I have the satisfaction to state what the Canal in this distance, (five miles of which *is finished;* the remainder under Contract and estimated at the same ratio) has and will actually cost, reserving Locks and pits, which are common to both routes, by the following estimate from Mr. Alfred Barrett, resident Engineer:

"ST. CATHARINES, Dec. 21, 1826.

SIR,

In reply to your Note of the 19th inst., requesting me to make an estimate of the cost for constructing the Welland Canal from the head of Dick's Creek, near O. Phelps', through its valley and the valley of the 12 mile Creek to Lake Ontario, a distance of 7½ miles, exclusive of Locks, Lock Pits, and the necessary embankments around them, which would be the same let the Canal take any direction to the Lake from that point.

Also an estimate of the expense of a Canal for one mile, of similar magnitude to the Welland Canal in entire excavation. In reply, I say that the expense on the 7½ miles is $29,935.

The expense of constructing, a Canal of equal capability to that above O. Phelps' on the Welland Canal, in entire excavation, could not ordinarily cost less than $3,500—making in all $13,495.

This estimate is made on an average cutting of eight feet, (which I am aware is low, where no ravine can be embraced,) and the Canal is confined to 26 feet bottom and 58 feet surface.

Whereas, in embracing the valleys of Dick's Creek and the 12, you have a fine spacious Canal, which will in a great measure prevent that obstruction to the navigation which would necessarily occur in a Canal of more limited dimensions, where so great a quantity must be drawn through to supply the different lifts and the extensive hydraulic privileges which are evidently far superior to those on any Canal of the above dimensions.

I beg leave to mention that the Harbor at the entrance into Lake Ontario remains as it was when reported on by Messrs. Clowes, Geddes, and Roberts, Engineers, without presenting any unexpected difficulties; and will, in my opinion, form a safe and good Harbor, when completed on the present plan.

Respectfully,

ALFRED BARRETT,

Resident Engineer."

I beg to call the attention of the public particularly to this statement, in order that they may judge whether reliance should be placed on the assertion of every day scribblers, or practical and scientific Engineers.

To draw the distinction clearly, you will observe the cost of the excavation and embankment for the Canal, from the head of the ravine to Lake Ontario, is about $30,000 in a distance of 7½ miles.

On a Canal of our smallest dimensions, on the most favourable situation for entire excavation, it will cost per mile $9,195. I am certain the nearest line a Canal could be taken from the head of this ravine to Niagara, is at least ten miles—making the sum of $91,950. It is known to every person who has passed the country that Culverts and heavy embankments would be required over the 10, 4, 2, and 1 mile Creeks, if not more, which on the most moderate computation will cost $30000; making in all $121,950 by this *highly favoured* route—leaving a saving in the other of $90,950, from which sum the expense of the Harbor must be deducted. Admitting if you please, the Harbor for 12 feet water should cost $50,000, what is the result? You enrich the country by creating a new Harbor—instead of a narrow confined cut, as it must necessarily be to Niagara, you make one of the most extensive artificial navigations or Canals in the world; create hydraulic situations in the centre of the country which are unrivalled, and shorten the distance at least 2½ miles.

My object in submitting the foregoing statements to the public is merely to enable them to judge correctly whether the assertions and reports circulated against this route are worthy of consideration.

I am now, as I ever have been convinced that nature has favoured us with greater facilities than can be found in any other part of the Peninsula; and am sensible it only requires being seen to admit its superior advantages.

It has been hitherto a common remark, that no public work, no improvement, has ever succeeded in Canada. It can scarcely be a matter of surprise when we find such contemptible shifts resorted to as we know have been by a few in this district, to retard our operations—for I would not insult the good sense of the community by admitting there is not a very large majority in favor of this work. Neither would I be understood to allude to those who opposed it from principle, many of whom, after seeing the favorable situation of the line, and the forward state of the work, have been candid enough to admit they were deceived.

If there ever was an undertaking which had a claim to public favor or public patronage, it is this. It is worthy the attention of every member of the Legislature; and I trust they will give it their personal inspection before the close of the present session, when they will have an opportunity of judging for themselves whether they have acted judiciously, or been duped by false representations.

WILLIAM HAMILTON MERRITT.

ST. CATHARINES,

Dec. 23rd, 1826.

No. 12.

CIRCULAR OF A STOCKHOLDER.

SIR,

Desirous that the situation of the Welland Canal, the prospects of the Company, and its intimate connection with the best interests of the Province, may be clearly seen and understood, I

have taken the liberty to present for your examination and reflection the following facts relative to it:—

The original estimate for a thorough cut was £179,556. It is now ascertained from actual experience that £200,000 will be required to complete the work pursuant to the dimensions, and in the manner now determined on by the Board of Directors.

Stock to the amount of £90,000,* is now in the hands of individuals, on which 65 per cent. has been called in, paid and expended by the Company, besides the £25,000 loaned by tne Province; consequently: there remains only £31,500 to be realized, in case the whole amount should be paid in by those Stockholders.

The grant from the Military Government, in lieu of Tolls, on Military Stores, is not available to the Company immediately. If added, the whole amount of funds under any circumstances, will be only about £47,500, leaving a deficiency of £69,000 to complete the work, admitting the Stockholders to have the ability to support the Canal, and make their payments as promptly as may be required.

But suppose, which is the more probable conclusion, that under the present circumstances, the holders of stock shall not be able to pay up their instalments; even on the supposition that the grant of the Military Government should be immediately realized which cannot be expected until the Canal is completed, there remains to be provided the sum of £100,500, which may prove disastrous and ruinous to the proprietors and injurious to the country.

If the Provincial Government should take the £50,000 of Stock now solicited, the whole situation of things will be changed—the confidence they exhibit in the prospects of the Canal will give it an entire new character and be highly beneficial to the remainder of the Stock yet to be offered; and in point of expediency it is demonstrable, that as a measure of sound policy, in aid of the resources of the country, nothing can be offered presenting greater advantages.

The Stock in place of adding to a weight of debt, will give an additional income, besides paying its own interest, and redeeming the principal, [in corroboration of this statement we refer to the Erie Canal, which pays principal and interest and will ultimately leave a fund at the disposal of the State, equalling all its other resources,†] which income may be used in aid of other objects of internal improvements, increase the facilities for emigration and settlement, add materially to the population, and with it the respectability, strength and resources of the country.

No amount of debt incurred for such objects, if yielding a moderate income, can ever be a load, or require any taxation.

To prove that this Canal will yield a large income, we give a statement of facts which are undeniable and the conclusion as inevitable as any mathematical truth, that the income will be equal to the interest upon a capital double the amount of its cost.

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* Note.—In the Report of the Directors, £100,000 is stated as subscribed, but of this sum about £10,000 of Stock has since its subscription reverted to the Company and the amount of subscription now stands at about the sum named.

† Remarks.—*Illustrative of the progress and present condition of manufactures in the United States, and concerning internal improvements, aiding and assisting every branch of the national industry.*

The making of the New York canals did not really cost the people of the State the value of 1 cent, except so far as *foreign* materials may have been employed in the construction of them, or for that small portion of the profits on labor which the artists and laborers may have carried *out of the State.* On the contrary, they gave a large and wholesome circulation to money, and enriched many individuals; and the increased value of property and of profit resulting from them, must be supposed by counting up hundreds of millions of dollars, if indeed, the benefits of them be within *supposition* at all! The rise in the value of lands and lots on their borders—at Albany, Troy, Rochester, Utica, Buffalo and an hundred new and thriving villages which have started into existence as if created by magic—the *new* employment of tens of thousands of persons—the *new* commodities transported to market, many of which of great value, were hitherto quiescent, or useless, because of the want of such market, with the *new* products of a teeming, busy, bustling and happy population—make up an aggregate of benefits that the mind cannot grasp with any degree of confidence in itself; and to all these should be added, the wealth and power caused by the increased inhabitants of the State on account of these things; perhaps directly and already, to the number of three or four hundred persons. Such are the general effects of canals, roads and bridges, and besides, the revenue arising from tolls will not only pay the interest on the money expended, but speedily extinguish the debt, and then supply the chief part of the funds required for the support of the Government of New York.

These canals cost $3,123,000, but the actual debt created was only $7,771,000, the interest payable on which was $419,000—but the tolls of the present year will amount to a million! And the business of the canals will go *on, on, on,* and increase every year, for years to come, until the utmost shore of Lake Superior teems with civilised men, and cities are located where the wolf has his home and the bear takes up his winter quarters.

Up to the 13th Aug. last, and for the present season, about 9000 tons of coals, 4000 do. wheat, 2000 do. iron ore, 1500 do. flour, and 4000 tons of other articles, arrived at Philadelphia by the improved navigation of the Schuylkill—100 vessels laden with Schuylkill coal will have arrived at New York from Philadelphia, during the present season. What is the *new* profit or value of the products or employments caused by this comparatively small work, yet in the very infancy of its usefulness? What is the amount of *new* capital put into useful operation? *Let it be calculated!*

Some particulars might be given about other canals; but these two cases have been referred to only to shew general results, and they speak a language that cannot be mistaken—to the glory of those who have supported INTERNAL IMPROVEMENTS, to the shame of those who have opposed them, and the [what shall I say?] the *something* of others who were so much interested in *arguing*, while others were employed in *digging!* But such will always be the difference between talking and doing—the talkers will become poorer and poorer and the doers richer and richer. *One* spade full of earth removed in New York or Pennsylvania, has rendered more service, in either State, than a *ten-column essay* in the Richmond "Enquirer" has benefitted Virginia. The policy of the first, is to make even a small State a great one—of the other, to reduce a great State into a small one.

—*Colonial Advocate press.*

NILES.

In the first place we shew the difference of transit from Lake Erie to Syracuse, between the

ERIE AND WELLAND CANALS.

The distance from Buffalo to Syracuse is 200 miles, Charge for tolls is 1½ cents per ton per mile		$3 00
The same for transportation		3 00
Toll on boats, about		0 07
		$6 07
41 miles Welland Canal		
32 miles Oswego Canal		
73		
Toll and transit, 3 cents.	$2 19	
Tonnage on vessels	0 03	
Freight from Welland Canal harbour to Oswego, being a mere continuation of voyage	0 50	
		2 72
Gain on the Welland Canal		$3 26

RETURN TRANSPORTATION.

The toll in ascending is 3 cents per ton per mile, making on 127 miles, the distance gained, at 1½ cents per ton per mile	1 96
Which added to the gain in descending, is equal to	3 26
Makes a gain in ascending of	$5 22

2. A small proportion of transportation is requisite to afford an ample dividend on the stock. 200 vessels are now supposed to be in use on the two Lakes—add 100 more on completion of the Canals, say one half or 150 vessels pass 14 times in each season, averaging 50 tons, at $1 per ton, will produce a revenue of $105,000. On the completion of the Northern Canal there were about 30 to 40 vessels on Lake Champlain—there are now, as appears from the American papers, 218. What may be anticipated on Lake Erie on the completion of the Ohio Canal, 65 miles of which is already finished?

3. The relative cost of the Erie and Welland Canals, and the income from them the last year. The ErieCanal cost $8,000,000 & extends 360 miles. The Welland Canal 41 miles, at the same rate, would require upwards of $900,000—the latter a ship Canal of eight feet water. The Erie Canal yielded an income of $760,000 for the last year; averaging the same distance, the Welland Canal would give an income of $84,444; and it must be admitted that no one portion of the Erie Canal possesses, in an equal distance, the same advantage as the Welland.

These statements shew that the difference of transportation in favour of the Welland Canal is $3.26 down, $5.22 up.—It may also be remarked that a very great proportion of the produce sent from the upper Lakes comes from the different States bordering thereon. The municipal Government of the several States being entirely distinct, there can be no feeling likely to produce a regulation which can operate in favour of the Erie Canal in preference to any other cheaper channel of communication, provided it takes them to the same market.

In the Constitution of the United States, there is a permanent inhibition against the imposition of duties on vessels clearing from one port to another in the United States; if therefore American vessels be permitted to pass without duty, through those waters, it must be a mutual benefit to both Canal and country. Exclusive of these considerations, in the spring of the year the Harbors of Buffalo and Black Rock are closed from 3 to 5 weeks after the Welland Canal will be open. All the produce, therefore, destined for the Montreal, Quebec or New York markets, will most assuredly pass through this Canal during this period, which embraces a very considerable portion of the year, in consequence of the anxiety always manifested in obtaining the earliest market; and even should all the toll be rescinded from the Western part of the Erie Canal, this affords still a cheaper conveyance.

From this exhibition it will be seen that in no event, and under no circumstances of commercial difficulty between the two countries which might interrupt their intercourse, could the tolls ever be reduced so low as not to afford a large and abundant income; and in times when commercial reciprocity and liberal feelings appear to be so well understood and anxiously desired by the greater part of the community, the amount of income will reach an extent that those who have not examined the subject in detail, and in all its various relations can scarcely credit. To those who have given it a due share of attention it will appear simple and plain—and (as in the case of the Erie Canal) will exceed the most sanguine expectations of those who had formed the most favorable and enlarged views on the subject.

It will be observed that the Welland Canal will be constructed at a less expense, proportioned to the distance than the Erie Canal, although its dimensions and advantages are so much greater. Allowing it therefore to receive no more annual income in perpetuity from toll than has been realized on the Erie Canal for the last year, which is $760,000, from the same proportion of distance, it would equal 6 per cent, or nearly double the amount of capital required in making it. You have therefore as much certainty as can possibly be desired that it must, when finished, be profitable.

Exclusive of those certain sources of income, we have all the hydraulic advantages on the Canal, the transit of that portion of country not immediately connected with Lake Erie, and the income arising from the sale of 13000 acres of land granted to the Company, lying on the Western section of the Canal, between the Welland and Grand Rivers, which from being alluvial will be rendered, by draining the marsh, valuable.

It is now respectfully submitted with those facts and such prospects, together with the experience already had on this side the Atlantic, whether every correct politician will not consider the accidental circumstances which have left this portion of Stock yet to be taken up, rather fortunate for the Province than otherwise: inasmuch, as an opportunity is thereby given to interest the Provincial Government in an undertaking from which they will derive an annual income, and render an essential and perpetual benefit to the Province at large.

For particular opinions on the subject of this Canal by American Statesmen and their Canal Commissioners, your attention is called to some printed extracts from their Reports enclosed herewith.

(Signed) A STOCKHOLDER.

IN THE YEAR 1827.

After a full investigation of all matters relating to the Canal before a Committee of the House of Assembly as recorded in your Journals, *(See Report of Select Committee of the House of Assembly on Petition of the President and Directors of the Welland Canal Company, of the year* 1827, *hereto appended marked No.* 1,*)* at a time when every transaction was fresh in the memory of those persons who were interested either for or against the undertaking:

The Legislature took to the amount of £50,000 of the Stock reserved for the London market, *(See Act hereto appended marked No.* 2,*)* every effort having failed to obtain it in London; and so fully were the Directors impressed with the necessity of obtaining the remainder of that Stock, that the Agent was despatched to Quebec to apply for assistance from the Legislature of that Province, who also subscribed Stock to the amount of £25,000.

On 17th of February of this year an Act was passed, *(See Act hereto appended marked No.* 3,*)* granting the free use of the Canal for Government Stores, on condition of the grant of one-ninth by the British Government agreeably to the Despatch of Lord Bathurst. *(See Despatch hereto annexed marked No.* 4.*)*

The different routes from Chippawa to the Grand River were explored this year with great difficulty, and at considerable expense; reference is made to them in Mr. Barrett's report which is appended to the Report of the Board of Directors for this year.

The work was carried on this year with vigor; for a general view of which, reference is made to the Report of Directors *(hereto appended marked No.* 5,*)* and the Minutes of the Board for this year, *(hereto appended marked No.* 6,*)* and also—

Regulations at Deep Cut,..... No. 7,
Notice to Stockholders,..... No. 8,
Application to Quarter Sessions,..... No. 9,
Address to Stockholders,..... No. 10,

the above are annexed, and will shew that every possible expedient was resorted to, to forward the undertaking up to this period.

THE DIRECTORS FOR THE YEAR 1827,

WERE

The Honorable JOHN HENRY DUNN,
The Honorable COLONEL WELLS,
JOHN B. ROBINSON, Esquire,
D. ARCY BOULTON, Esquire,
JOHN CLARK, Esquire, and
GEORGE KEEFER, Esquire.

DOCUMENTS REFERRED TO IN THE FOREGOING REMARKS.

VIZ:

Report of Select Committee of the House of Assembly on the Petition of the President and Directors of the Welland Canal Company, of the year 1827—marked....No. 1.
Act of Parliament—8th Geo. IV, chap. 2... " 2.
Act of Parliament—8th Geo. IV, chap. 17. " 3.
Despatch of Lord Bathurst,..... " 4.
Report of Directors, for 1827,..... " 5.
Minutes of Directors, for 1827,..... " 6.
Regulations for Deep Cut,..... " 7.
Notice to Laborers,..... " 8.
Application to Quarter Sessions,..... " 9.
Address to Stockholders,..... " 10.

No. 1.

REPORT OF THE SELECT COMMITTEE

Appointed for the purpose of EXAMINING *and* REPORTING *upon the Petition of the* PRESIDENT *and* DIRECTORS *of the* WELLAND CANAL COMPANY, *praying that* PUBLIC AID *should be afforded to the Company; and on the Petition of the* INHABITANTS *of* NIAGARA, *on the subject of a* LATERAL CUT.

THE SELECT COMMITTEE, appointed for the purposes of examining and reporting whether it is necessary, in order to ensure the speedy completion of the Welland Canal, upon its enlarged scale, that public aid should be afforded to the Company; and if so, to what extent and whether such aid would be most effectually extended by making a further loan or taking stock in the name of the Government, or by any and what other measures; and also to examine and report upon such parts of the prayer of the Petition of the President and Directors of the Welland Canal Company as do not relate to the application for pecuniary aid; and further, to examine and report upon the Petition of the Inhabitants of Niagara on the subject of a Lateral Cut, have availed themselves of such opportunities of acquiring information respecting the matters referred to them, as were within their reach, and they offer to the House, as the result of their enquiries, the evidence collected in the appendix to this Report. They have also given their best consideration to such views of the undertaking in question, its progress and probable consequences, as have been from time to time exhibited in documents published by the Company, and in reports which have been heretofore submitted to the House of Assembly. So much indeed has already been said and written on the subject of the Welland Canal —the advantages it holds forth are so obvious, and the different questions connected with it, have undergone already such full investigation, that your Committee do not conceive that much new informatton will be found to have been elicited by their enquiries. They will serve however to shew more clearly upon what foundation many opinions rest, which have been hitherto discussed, and in conjuction with the Report of the President and Directors of the Company, of which the House is in possession, will it is hoped, tend to place satisfactorily under one view, the grounds upon which the Committee have decided, in the matters referred to them.

The Committee have earnestly endeavoured to draw from the various sources of information referred to, such a conclusion as they could justify to themselves, and as they could present with satisfaction and confidence to the House.

The very extensive operations which have been carried through by the Company during the last year, have now brought much nearer to view the desirable end, which the projectors of this great public improvement had proposed, and which not long ago, many persons seemed to despair of seeing ever accomplished.

The comparison of what has been done with what remains to be performed, and testimony of experienced Engineers, become more satisfactory in proportion as it has been verified by results already attained, seem now to leave no longer any rational ground for apprehension, that the Welland Canal cannot be completed at something near the estimated cost. It is true there is yet much difficulty to be surmounted, but none of which an estimate cannot now be made with reasonable accuracy by persons accustomed to such calculations. That the event may not to a certain extent discredit these calculations, your Committee could, under no circumstances, venture to affirm; because they are not ignorant that in great undertakings of this description, as in almost every concern of human life, difficulties and disappointments do frequently present themselves which impose a necessity for increased exertion, although they are not of sufficient magnitude to prevent the prosecution of the design.

Your Committee conceives that on this as on other occasions, a reasonable confidence must of necessity be reposed in the opinion of those who from their science and experience are best able to judge, and against whose testimony no objection is raised on the score of pecuniary interest, or local prejudices.—The Company seems fortunately to have felt strongly the necessity of employing competent and respectable Engineers to superintend their operations—and it happens, as will be seen on the evidence of Col. Clark, that from a particular circumstance out of the ordinary course, the Company and the public have the advantage of possessing the opinion of the principal resident Engineer, as to the present state and probable completion of tho Canal, expressed on oath. In the absence of every information to the contrary, which can be thought equally entitled to attention, your Committee have necessarily founded their opinion upon the assumed accuracy of the Engineer's estimates—and upon his judgment thus declared, under a more than ordinary sanction.

The section of the Canal between the Welland and the Grand River, does not appear at present to claim any particular enquiry or consideration, as affecting the decision which it may be proper to come to upon the several matters embraced in the resolutions of the House. That portion of the undertaking will doubtless be accomplished if the other is ensured: its cost it appears can be estimated almost with certainty, the labor required is not of a difficult or extraordinary kind, and your Committee in viewing the Welland Canal as a work of public benefit have all along felt that they may safely regard the construction of this part of the Canal as a consequence that will unquestionably follow the accomplishment of the section now in progress.

Confining their observations entirely to the latter, it appears to the Committee that the report recently published by the President and Directors of the Company, and annexed to the petition to the House of Assembly, renders it unnecessary to enter here into any particular statement of the present situation of the work, or the past proceedings of the Company, as these are detailed at length in the report referred to, which is not at variance with any information which has been acquired by your Committee.

It is now made evident, so far as the best means of information can be depended upon, that a navigation convenient for schooners of the burthen ordinarily in use on the lakes, can be formed between Lakes Erie and Ontario—the present interruption occasioned by the Falls of Niagara thus happily obviated, and a continued water communication from the western extremity of the Province to the ocean. effected, at a charge not materially varying from that which the House of Assembly was led to expect when they lent their countenance to the undertaking by their vote of the last session.

Within the last season more than half the labor necessary to the completion of this stupendous work has been actually performed. It has been advanced with a perseverance and activity which have astonished those who have witnessed it, and which has compelled the approbation of some who were unfriendly to the project, as it has given confidence to many who had been avowedly incredulous.

The economy and judgment with which the funds have been expended, have not been in the slightest degree impeached by any thing which has appeared to your Committee; on the contrary it is satisfactory to state that they have been acknowledged in the most express and unqualified manner, in his own name and on bebalf of the Stockholders whom he represents, by the gentleman, who from his great stake in the Company, has borne by far the greatest share in the burthen of expenditure. While from his residence out of the Province he has had no voice in directing its application.

Up to this moment the greatest pressure has borne upon the Stockholders resident in New York. The very timely aid afforded by the public loan of £25,000, and the extraordinary efforts of those gentlemen who embarked so deeply in the undertaking, have placed it in the power of the Directors to proceed without relaxing their exertions; but your Committee is assured that to effect this object, the means of individuals have been strained to the utmost, and even a risk of embarrassment incurred, which ought not to be contemplated without painful emotions by those who regard the importance of the Welland Canal to our public interests.

If it is to proceed to its termination with the same spirit with which it has hitherto advanced, corresponding preparations must be made this winter for resuming the work early in the Spring. Great expenditures are required to be almost immediately incurred, while the roads admit convenient transport. Uncertainty and delay are embarrassing, and may be even ruinous to Contractors whose fortunes are embarked in this great public work and whose exertions, through a season of unremitted activity, have attracted general admiration.

If it be proposed as a question, whether the undertaking shall be now suffered to languish and the

od of its completion be deferred, at the hazard of injury to portions of the Canal now in progress—and with the risk of so much depressing public confidence in the result,as not only to increase greatly the difficulties which have pressed already too heavily upon a few individuals, but even to render the final issue doubtful, Your Committee regarding the question as one of public concern, cannot hesitate to recommend that public aid should be extended to the utmost convenient limit rather than suffer so fatal a disappointment.

With regard to the prospect of future means, your Committee do not think that any reliance ought to be placed upon the probability of subscriptions of Stock in England. That expectation has already led to most unfortunate and perplexing delays; and, for the relief of the present exigency, no dependance should, in their opinion, be placed upon it. It is equally their impression, from all that has been submitted to them, that the measures of preparation which *ought* now to be adopted *cannot* be taken upon the prospect of filling up the remaining subscriptions in America, for of that no assurance whatever, can as they conceive, be prudently indulged. Your Committee therefore, are decidedly of opinion, that setting aside all considerations connected with the actual state of the public revenue (which they understand not to be in any manner referred to their deliberations, but to be reserved to the judgement of the House,) the present state of the Welland Canal requires that the immediate and effectual support of the Legislature should be given to the undertaking.

It is a work manifestly of great public interest.—It has attracted, and deservedly, the particular patronage of His Majesty's Government, and of the Government and Legislature of this Province. It will be seen by the evidence appended to this Report that the inhabitants of some of our largest and most fertile Districts look with intense anxiety to its accomplishment, and whatever may be the measure of accuracy in those calculations upon the productiveness of the Stock, which it is natural the Stockholders should look to, it is indisputable that the benefit it will confer directly upon one third part of Upper Canada, and indirectly upon the whole, will be greater than can now be estimated. Under this conviction your Committee recommend the acceding to the prayer of the petition, by authorising £50,000 to be held as public Stock, and suffering the £25,000 now advanced as a loan, to be retained as a payment on account of such Stock.

Your Committee on a due consideration of the circumstances, are even inclined to go farther, in the belief that as the object of affording public aid must be to place the completion of the Canal beyond question, it would neither be proper nor prudent in the Legislature, if they embark to so great an extent in the undertaking, to stop short of such measures as are necessary to render their assistance effectual. If public stock to the amount of £50,000 were taken, and the loan of £25,000 suffered to remain as at present, the Company paying the interest as thay have hitherto done, and will no doubt continue to do, the Committee are assured that the work will proceed without danger of interruption, of which there does not otherwise appear to be sufficient certainty.

By receiving assistance to this effect, the Company will have immediately the use of a large sum, and can make their preparations at once, and with confidence, while the present pressure upon the Provincial Revenue wonld be scarcely at all increased by it, on account of the interest upon the £25,000 loaned, continuing to be paid by the Company and not by the Government, as it must be, if converted into stock.

Your Committee have deliberated on the comparative expediency of affording assistance by subscribing stock, or making a loan to the Company, and have been led to recommend the former.

1st. Because it will leave so much less stock unsubscribed, that it will undoubtedly hasten and probably ensure immediately the taking up of the whole remaining amount; and from the moment that is done the Committee conceives that the completion of the entire line of the Canal will be placed beyond a question.

2nd. Because the Company being burthened with a debt of £50,000 or £75,000, will have a tendency to deter individuals from subscribing and thus operate against the filling up the list.

3rd. Because when the amount of stock to be subscribed is reduced to £50,000, and the certainty afforded of the work being carried so nearly to its completion, by the subscription made by the Government, the Committee has little doubt that the remaining stock will be quickly taken, and that when that is the case the stock will become at once marketable, and it will be in the power of the Government, if it should be thought desirable, to relieve themselves of part of the advance, by selling a portion of its stock.

4th. Because it is obvious to your Committee that whether the Government be authorised to make a loan to the Company or to take stock to the amount recommended, the Legislature can only reasonably look for security of reimbursement, to the assurance of the Canal being completed, and the stock invested in it being productive.—If these expectations are, (contrary to every present appearance) disappointed, the Committee do not see that the Government would be in any degree better situated as holders of a loan than as stockholders.—But if on the other hand, they are realized, the public revenue will be benefited by any profit arising, and the Government will have the option of retaining a productive stock, or of parting with it, and thus reimbursing themselves sooner than the loan should be repaid.

5th. Because if there is any truth in a rumour which has gained circulation, that His Majesty's Government may, from public inducements, be inclined to possess themselves of the whole stock of the Company, such an arrangement would be facilitated by the Government now becoming stockholders to so considerable an amount.

ARCHIBALD McLEAN,
Chairman.

WITNESSES.

John B. Yates, Esquire,
Mr. Alfred Barrett,
William Hamilton Merritt, Esquire,
Joseph Wenham, Esquire,
John J. Lefferty, Esquire, M. P. P.,

Samuel Wood, Esquire,
Charles Ingersoll, Esquire, M. P. P.,
James Gordon, Esquire, M. P. P.,
The Honorable Thomas Clark,
Francis Baby, Esquire, M. P. P.,
Alexander Wilkinson, Esquire, M. P. P.,
Richard Beasley, Esquire, M. P. P.,
Francis L. Walsh, Esquire, M. P. P.,
Edward McBride, Esquire, M. P. P.,
Alexander Stewart, Esquire, and
The Honorable John Henry Dunn.

The Committee met for the purpose of examining and reporting whether it is necessary, in order to ensure the speedy completion of the Welland Canal upon its present enlarged scale, that public aid should be afforded to the Company; and if so, to what extent:—and whether such aid would be most effectually extended by making a further loan or taking Stock in the name of the Government, or by any and what other measures; and also to examine and report by bill or otherwise, upon such parts of the prayer of the Petition of the President and Directors of the Welland Canal Company, as do not relate to the application for pecuniary aid;—and further, to examine and report upon the petition of the Inhabitants of Niagara on the subject of a Lateral Cut.

The following Petition of the President and Directors of the Welland Canal Company, and also the Petition referred from Niagara, were then read.

TO THE HONORABLE THE COMMONS HOUSE OF ASSEMBLY OF THE PROVINCE OF UPPER CANADA, IN PROVINCIAL PARLIAMENT ASSEMBLED.

The Petition of the President and Directors of the Welland Canal Company.

HUMBLY SHEWETH,

That since the last session of the Provincial Parliament, they have, with the assistance so liberally, at that time, afforded them by the Legislature, made very great efforts towards the completion of the work confided to their care, and which have been crowned with success fully equal to their most sanguine expectation; for a more particular account whereof they respectfully beg leave to refer to their Report to the Stockholders, hereto annexed; but they regret to state, that from a variety of unforeseen and untoward circumstances, the amount of Stock actually subscribed remains nearly the same as it did last year, when they sought for, and obtained from your Honorable House, that aid and assistance which has been so beneficial to the Company.

That the Directors still retain the desire that originally influenced the Board, when they determined to offer one half of their Stock for subscription in London; and with that wish they have hitherto forborne throwing it open for subscription in America, where three fourths of the amount already subscribed were taken up: that from the delay necessarily attendant upon negotiations at a distance, a considerable time has already elapsed, and a further period may still transpire before the final result of their application to London for filling up the subscription of the remaining Stock is communicated to them, which embarrasses them extremely in making arrangements for resuming their operations at the opening of the ensuing season with the same vigor which has marked their progress during the last; inasmuch as it is absolutely necessary for so doing, that no uncertainty should exist with regard to the funds for carrying on the work.

That under these circumstances the President and Directors have deemed it expedient, most respectfully to represent to your Honorable House, that a subscription by the Provincial Government of £50,000, of Stock, would relieve the Company from all embarrassment, the one half of which sum has already been loaned to the Company under the authority of the Act of the last session of Parliament, passed for that purpose.

That such a share in the Stock of the Company would give the Government a claim to the appointment of at least two Directors, which could not fail to add to the respectability of the Company, and increase public confidence both at home and abroad.

That from the small number of persons who are eligible to become Directors, some difficulty has been experienced by the Stockholders in selecting proper individuals to fill that situation, the Directors have therefore been requested to state the inconvenience to the Legislature; and pray that so much of the 27th clause of the Act of Incorporation may be repealed, as renders it necessary for two at least of the Directors to go out each year.

That the time fixed for the election of Directors by the 27th clause of the said act, namely the first Monday in April, has been found inconvenient for the attendance of Stockholders, and that the second Tuesday in May in each year would be preferable, and also that the number of votes established by the 14th Section of the 6th, Geo. IV, does not, in the opinion of the Directors, bear a due proportion to the number of shares held by Stockholders, which they conceive might be amended according to the following scale—namely, one vote for ten shares, two votes for twenty shares, and one vote for every additional forty shares.

That the provision contained in the 15th clause of the last mentioned act, enabling his Majesty to assume the possession and property of the Canal at any time after fifty years, upon payment of the sums furnished and advanced towards the making or completing the said Canal, together with 25 per cent., upon the monies so advanced and paid, has, and will continue to have, an injurious tendency in depressing the value of the Stock of the Company; and that if it is deemed expedient to enable his Majesty to assume the property of the said Canal at all, it should be upon payment to the Stockholders of the market price of the Stock at the time of purchase; in which case ten per cent., over and above such price would be a sufficient premium to the Company.

That from the scarcity of coarse grain in this part of the province, and the absolute necessity of procuring it, as well as various other articles, from the United States, necessary for the construction of the Canal, your petitioners pray your Honorable Body may be pleased to remit the duties now paid, and what may hereafter be required in the construction of the Canal. Your petitioners therefore pray that

your Honorable House will take the premises into consideration and grant such relief to the Company as to Your Honorable House may seem meet.

And as in duty bound will ever pray,

For the Directors,

JOHN H. DUNN,

President W. C. C.

TO THE HONORABLE THE COMMONS HOUSE OF ASSEMBLY IN PROVINCIAL PARLIAMENT ASSEMBLED.

The Petition of the inhabitants of the Town of Niagara.

HUMBLY SHEWETH:—

That your Petitioners are desirous of making a lateral Cut from the River Niagara to intersect the Welland Canal below the Mountain Ridge, of equal dimensions with the Welland Canal, and for the information of your honorable House would beg leave to state, that they have obtained the consent of John B. Yates, the largest individual Stockholder in the said Welland Canal, and who is acting in behalf of the Stockholders of the State of New York, to that effect.

Your petitioners therefore humbly pray that your honorable House would pass a Bill to incorporate your said petitioners into a Company, with a Capital of £30,000, to make such lateral Cut, under the control of such a number of Directors as to your honorable House may seem proper; and also that when such cut is completed the Stock may be added to the Stock of the Welland Canal, that they may form one Company and one interest.

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

J. MUIRHEAD, and others.

John B. Yates Esq., was then called in, and the matters referred to the Committee being stated to him, he was asked whether he had any information to offer to the Committee on the subjects referred.

The following communications were in consequence received from him, addressed to the Chairman

SIR,

In order fully to answer the inquiry of the Committee, I will state and answer their questions in the order submitted.

1*st*, Whether any and what aid from Government is requisite to enable the Company to complete the Canal pursuant to the present plan?

There is now somewhat less than half of the capital Stock subscribed, owing to the causes named in the Report of the Board of Directors, and all the operations of the Company have been supported by calls on that proportion of Stock and the Government loan of £25,000. In order to complete the Canal to the Welland River, about £80,000 more will be required; and it is estimated that about £37,500 more will be requisite to complete the portion from the Welland to the Grand River.

The amount of present subscribed Stock remaining uncalled is £31,500; in order therefore to complete it to the Welland River £48,500 will be necessary, beyond what may be called from present Stockholders. It is therefore evident that unless much more Stock be subscribed either by Government or individuals, the work cannot be completed, even to the Welland.

2*nd*. Whether such aid would be most effectually extended by making a further loan, or by taking Stock in the name of the Government, or by any and what other measures?

The shape in which this aid, if afforded, would be most beneficial, both to the Government and the Company, I have no hesitation in saying is that of subscribing Stock; the amount of Stock so subscribed will then be taken entirely out of the market; the influence and attention of the persons interested in the Company will enable them to procure the remainder of the Stock to be taken up, and it would be an object of interest to the Government, much greater than a loan to the Company, and much greater than will pay, in a very short time, the principal and interest of any debt incurred for it. On an examination of the resources of the country, on the Canadian shores of Lake Erie alone, and between that and Lake Huron, the fertility of its soil, and great facility for water communication by the Thames and Grand Rivers, which are navigable, the former of which runs through the centre of the country, parallel with Lake Erie and the outlet of Lake Huron, this result must be evident to every man of common intelligence and observation, unless such a man can believe that like causes will not produce like effects. If the amount of Stock thus taken shall be £50,000 exclusive of the £25,000 already loaned, there will then be about £35,000 more to be offered in market, which I have not the least doubt will be readily disposed of. Should however the Government confine themselves to £50000, including the £25,000 already loaned, being the amount contained in the petition of the Directors, I believe the Company may be enabled to go on with renewed hope of completing the work, in the reasonable expectation that this act of the Government, together with the amount to be received from the Military Government, will give sufficient confidence to dispose of the then remaining £60,000 of Stock. The idea of an additional loan of £25,000, I have named last, because I think it the least advantageous to the Government and Company; although even that may be efficient. It will readily be seen why this aid cannot be as effectual as the other, when it is known that the £110,000 of Stock must still be offered; and in consequence of the debt, together with the misrepresentations and efforts of the opponents to the Canal, there will be a reluctance on the part of new subscribers to take it. If therefore a loan of money to the Company be made, it ought to be sufficient to complete the Canal; and then the Government would have an amount of property as security therefor, vested in the Canal Company, equal to double the amount of money loaned. Such is the confidence of the present Stockholders in the prospects of the Canal, that in this event they would wish no more Stock to be offered by the Directors until the expiration of two or three years after the Canal shall be completed, and then let it be sold at public Auction in lots of twenty shares

each, for the payment of the debt. They are satisfied that it will then sell for a sum far exceeding any amount requisite to pay their debt, and all the advance of interest money that shall then have been paid for such loan.

3rd. What are the reasons in favor of an alteration in that part of the act of incorporation declaring two of the former Directors ineligible to a second election the next succeeding year?

The provision in the charter for an annual change in the Board of Directors, by rendering two of the Directors ineligible a second year, may prove injurious to the interest of the Company, owing to the small number of stockholders from whom they have the power to select, and there is no one light in which I can view this prohibition that it appears likely to be really useful. If good directors are in the board there is no reason why they should not be retained, and if they are not so, men whose interest it is to remove them, will certainly not re-elect them.

4th. What are the reasons in favor of altering the time of election?

With regard to the time of election, I cannot say that it is very important. A more convenient month for travelling would induce a more general attendance of stockholders, and the month of May is on that account better than April, and the beginning of June better than either.

5th. What are the reasons in favor of changing the ratio of voting at all meetings of stockholders?

I feel myself constrained to say, in answer to this question, that I think the ratio of votes to be given proportioned to the stock by the present law is positively unjust.

The 14th section of the law of 1825, extending and amending the charter, contains the following enactments:—"That the holder of five shares shall be "entitled to one vote, the holder of twenty shares "to two votes, the holder of fifty shares three votes, "and the holder of one hundred shares and upwards "four votet at all general meetings of the stockhold-"ers." In the management of the affairs of an incorporated Company where the whole subject of government and direction is of a pecuniary natare, the only fair rule in my opinion is, that the power shall be proportioned to the interest. If this rule be varied it ought not to be so much varied that by the combination of a number of flagitious persons who can command a small amount of money, fraud on unsuspicious and bona fide stockholders may be committed. The present law affords such opportunity, and I think the amendment solicited by the Directors will give power sufficient to those greatly interestee in the stock to preventit. I am however an advocate in all money incorporations for the representation of each unit of stock in the affairs of the Company, so far as it is practicable. I believe greater security against every species of misconduct is afforded by it than any other rate of voting.

6th. What are the reasons in favor of a repeal or alteration of the part authorising the purchase of the Canal by the Government?

The 15th and 16th sections create a limitation, and declare a conditional termination, which must have a serious effect upon the value of the stock already taken, and may deter others from investing, especially as there is a limitation of dividends contained in the original act of incorporation.

I have been told that this limitation is merely a matter of form, and will never be enforced—of that I am myself well satisfied.—The generosity of His Majesty's Government and the great liberality with which the Company has been patronized, give sufficient assurance that every reasonable support and countenance will be granted to them. As however much individual effort has been requisite to support the Company, and much more will probably be rerequired before the work can be completed, it is important that every proper inducement should be afforded to new adventurers for the balance ef stock that may yet remain unsubscribed. These sections which are viewed as of no great consequence to the Government, I consider of great importance to the stockholders, and particularly the estimation in which the stock will be held as an object for permanent investment for any particular purpose.

7. What are the reasons in favor of the remission of duties on particular articles at this time?

The propriety of, and necessity for, such a measure, can be better shewn by the Agent and Engineer of the Company, who are now here, than by me.

8. The last inquiry which I am desired to answer is, the propriety and advantage of making an additional or branch Canal to Niagara.

This is a subject that has created some considerable excitement, but as the termination at the mouth of the 12 Mile Creek is now fixed and the Harbour there will be completed, the only question presented is, whether the Company will be injured and the stock depreciated by a future addition of capital sufficient to construct a Canal from the mountain ridge to the harbor at Niagara? I believe not many years will pass by, before every channel of communcation from the Upper Lakes to the markets on the sea board will be filled, and that there will be abundant work for both the routes, to the mouth of the 12 Mile Creek and Niagara. I believe also the mercantile competition between the inhabitants on both routes, together with the Hydraulic privileges will be very advantageous to the income of the Company, and the business on the Canal, as well as certainly to the country at large. An active and industrious population will be induced by competition, and especially local competition, to do business for the smallest possible gains by which they can be supported. Thus their business is increased, and they are enabled to do it for a less proportional compensation than they can a smaller business. It not unfrequently happens where such business is not necessarily circumscibed by small territorial limits or amount, that each place so actively engaged, increases more in population and wealth than either would, if controlling the whole business that might be offered. The inducement to transact business where there is such competition is certainly greater to the people in the country than without it. The stock, however, thrown into market at this time would be injurious, and, therefore, the whole direction of such added stock, and making such branch canal should be left discretionary with the Company, and it ought to be made under the direc-

tion, and form a part of the capital stock, of the present Company.

It would perhaps also be well to name a sum large enough, and give authority to the Company to improve the navigation of the Welland and Grand Rivers as high up as possible. The improvements of these rivers will probably at no very distant time become an object of attention, and when this Canal shall be completed there can be no objection to authorise an increase of stock for such purpose.

With the greatest respect,

I am, Sir,

Your obedient servant,

J. B. YATES.

York, *Jan.* 12, 1827.

Archibald M'Lean, Esquire, *Chairman of the Committee, on the Petition of the Welland Canal Company.*

Sir,

In consequence of the request of the Committee to furnish them with a statement of the facts and calculations on which the opinion is founded that the Welland Canal will yield an income immediately after its completion equal to the interest of its cost.

I submit the following:

On an examination of the census of 1825, it appears that the portion of country within the Province, the produce of which will pass through the Welland Canal, contains a population of more than 50,000 at this time. The articles to be exported consist of lumber of all sorts, stone, gypsum, pot and pearl ashes, flour, wheat, cornmeal, pork, whiskey, cider, fruit, lard, butter, cheese, tobacco, &c.—In estimating the quantity of each of these articles which will probably pass, a much less amount is named than the same extent of population, under equally advantageous circumstances, have sent from places within my observation, the toll for the whole 41 miles, is put down at 7s. 6d. per ton descending, and 10s. up, except lumber.

1,500,000 Staves, at £1 10s. per thousand,	£1,500	0	0
Boards, Plank, and other lumber, at 3s. 9d. per thousand feet, broad measure,	5,625	0	0
Masts, Spars, &c.	750	0	0
Stone, Gypsum, &c.	750	0	0
5,000 Barrels Potash, at 7s. 6d. per ton,	468	15	0
Flour and Wheat, equal to 100,000 barrels,	3,750	0	0
5,000 Barrels Pork,	187	10	0
Whiskey, Cider, Lard, Butter and Cheese,	187	10	0
100 hogsheads of Tobacco and other articles not named,	187	10	0
	£13,406	5	0
Add	7,937	10	0
	£21,343	15	0

Articles to be sent up.

12,000 barrels Salt, at 10s. per ton..	£900	0	0
Merchandize of all sorts, including Hardware, Castings, and Mill Stones at $\frac{1}{10}$ in weight, of the quantity sent down, at 10s. per ton,	1,787	10	0
Amount of toll on operations on the Canal, the erection and conducting of buildings suited to the hydraulic advantages, estimated 10,000 tons, at 3s. 9d. per ton,	1,875	0	0
Toll on the tonnage of vessels at £1 5s. per trip, say 50 vessels, 14 miles each,	875	0	0
Rent from hydraulic situations to be received after the expiration of 3 years,	2,500	0	0
	£*7,937	10	0

Amount of capital £200,000—six per cent interest on it is £12,000; deduct this from the £21,343 15s. will leave £9,343 15s. income after paying the interest. In this estimation it will be observed that I have confined myself to what in my opinion are the reasonable resources of the country on the Canadian side of Lake Erie only, nor have I taken in the estimate any portion of what has been and will be received from Government, that is, the gratuity of 13,000 acres of land—and one ninth of the capital to be expended in making the Canal, as a compensation for passing Government Stores without toll or duty.—These items I have left to meet any allegations that may be made, that the actual expenditure will exceed the nominal capital; although there is no reason for this opinion, and I think they may safely be added as sources of income. Without therefore, any reliance on the produce from the American side, which I will shew conclusively it is their interest to send by this channel if permitted to do so, and after making an allowance of nearly one half for an over estimate of the exports of the present population, there will still be enough left to pay the interest on the full capital expended. And here I desire to observe, as a proof that the quantity expected to be exported is very low, that a single Township in the Western part of the State of New York, the Township of Scipio, on Cayuga Lake, exported in 1824, 150,000 bushels of Wheat, and upwards of 3,000 barrels of Pork, besides other articles, and a person owning a Store in the small Village of Pittsford, 7 miles East of Rochester informed me that this Fall 20,000 bushels of new wheat had passed through one store in bulk to Albany since last harvest. There is one article I have not named, but which will soon become a very important and profitable material for exportation from this country, that is Indian corn meal in tierces; hitherto it has not been worth attention, because of the difficulty of transportation, but after the Canal shall be completed it will receive immediate attention. There is also a great variety of other articles not named which this country may produce. I am told that there is iron ore in great abundance not far from the mouth of Grand River. It will be profitable for American merchants along Lake Erie to use this Canal, even for a N. York market, and if profitable they will do it. In or-

* To be added to the down freight

der to shew this more conclusively, I will take for the Welland Canal the same rate of charge above named, which is greater than that on the Erie Canal, and it will still be found much cheaper to send by this route to New York than the other.—The Canal from Oswego to Syracuse is now making, and will be finished in the course of this year.

The difference of transit from Lake Erie to Syracuse between the Erie and Welland Canals.

The distance from Buffalo to Syracuse is 200 miles.

Charge for toll is 1½ cents per ton per mile		$3 00
The same for transportation		3 00
Toll on boats		0 07
		$6 07
41 miles Welland Canal toll	$1 50	
32 miles Oswego Canal at 1½ cents	0 48	
73 miles transportation at 1½ cents	1 09	
Tonnage on vessels, about	0 07	
Freight from Welland Canal Harbor to Oswego, being a mere continuation of voyage	0 50	
		3 64
Balance in favour of Welland Canal route, per ton		$2 43

ASCENDING.

From Syracuse to Buffalo, at 3 cents per mile		$6 00
Transportation at 1½ cents per mile		3 00
Toll on boats per ton, whole distance		0 07
		$9 07
Syracuse to Oswego, 3 cents per mile	$0 96	
Welland Canal	2 00	
Tonnage, about	0 07	
Transportation	1 59	
		4 62
Balance in favor of Welland Canal per ton		$4 45

Thus it will be seen that with the rate of toll I have assumed, it will be the interest of the American Vessels to use the Canal; and vessels once having their Cargo on board will carry it as far as they can. If under such circumstances one fourth only use it, an immense amount of income will be added to the above probable estimate; and it is most difficult to say in the range of reasonable anticipation where to name a limit. It is a well known and acknowledged fact that in the Spring of the year, from 3 to 5 weeks the Harbor of Buffalo is closed, when the Lake beyond point Abino is clear of ice, and as it is always in the power of the Company to break up the ice in the Canal when the weather is mild, a decided advantage in navigation must be enjoyed by the Company in consequence of this irremediable difficulty which will induce great efforts to hasten down produce for an early market through the Welland and Oswego Canals to New York. The facility of travelling by way of Oswego and the Welland Canal will also be so much greater, that the number of Steam Boats for the conveyance of passengers will probably be much increased by it. Let the income arising from these additional sources of revenue be added to the computaton above made, and I think there can no longer be any doubt as to the fair prospects of the Canal and the profits which must arise from it. To put this calculation in figures would swell it to an amount beyond any conception; but when it is known, which it is now officially, from the Message of the Governor, that the New York Canals have given an income this last year of $771,780, it is not unreasonable to expect that the most incredulous must believe, and *even* the sceptic will lose his doubts. The increased amount of annual transportation on the New York Canals very far exceeds the increased proportion. The facility affords the power and the opportunity to the old inhabitants to increase their exports, and receive from them a much larger product, owing to the diminished expense of transit.

With great respect,
I am Sir,
Your obedient Servant,
J. B. YATES.

There is another apparent difference in favor of the Welland Canal which I have forgotten to mention in the proper place, although it is evidently important. The difference between the daily expense of a vessel of 100 tons and 3 hands navigating the Lakes and the Welland Canal, and a Canal Boat of 30 or 40 tons with the same number of hands and additional expense of horses. And if the Canal Boats go night and day, which they must to make the same average progress with a vessel on the Lakes, they must be double manned and have two sets of horses.

J. B. YATES, ESQUIRE.

States,—That if the whole amount of Stock had been subscribed it would have been quite sufficient to complete the Canal. The estimate for the whole is under the amount of Stock authorised by law.—Thinks the whole amount of Stock would have been taken if offered in June or July 1825, at New York; and that sufficient would then have been paid in to ensure the ultimate payment of the whole, but was satisfied at that time with the reasons given for withholding it. Without further aid from the Province, the Company will be greatly embarrassed in the progress of the work, and even in completing their present contracts, arising from the circumstance of so little Stock being taken up, and the price of that Stock being depreciated in the market in consequence of the difficulties and the distant prospect of completing the work—less than half the Stock being taken up. One half was subscribed, but about one tenth has reverted to the Company in consequence of failure on the part of the holders to pay the instalments. Some of the holders seem to have relinquished their Stock from apprehension of the failure of the undertaking, and others from the want of funds.

He is one of the original subscribers to the Welland Canal Company, to the amount of 2510 shares for himself individually: and in his own name, and his partners and friends, about 4000 shares are held at this time, of which about 1000 have been acquired by transfer. He has paid in on the whole amount of shares 65 per cent, by himself and partner &c. He is not, and cannot be a Director from his residence out of the Province.

He has visited the work several times in its progress, and has had satisfactory opportunity afforded by the Directors, of kuowing the proceedings of the Company from time to time, and has found every reason to be fully satisfied with the manner in which the work has been conducted and the funds expended.

He thinks that every Stokholder ought to be satisfied, as there has been the greatest economy and attention.

He has no means of knowing from his personal observation whether the Erie or Welland Canal have been conducted with more economy; but from what he has heard from persons capable of judging, he thinks the Welland Canal has been conducted as economically as (if not more so than) the Erie Canal.

He is satisfied from the state of the funds and the state of the work that it would not be advantageous to enlarge the Locks on the mountain ridge to correspond with those from St. Catharines downwards, as five of the Locks are already completed and the expense of these would be lost; besides the advantages which might be expected would not be commensurate with the expense necessary to be incurred.

He can form no opinion of the relative expense of carrying the Canal to Niagara or to the Twelve Mile Creek. If it had been originally carried to Niagara it would have secured the interest of the inhabitants of that place, which has since been against it.

He thought originally under all the circumstances it would have been more prudent to take the Canal to Niagara; but that as the route was settled by Act of Parliament, he assented to it.

He thinks the manner of conducting the Canal has given satisfaction to all who had an interest worth naming. There were representations made by persons opposed to the Canal, dissuading persons at New York from taking stock, in consequence of which a great many shares were thrown into the market, which were purchased by Mr. Yates and partner; one hundred shares were sent out also to the New York market from Montreal, being the shares of Messrs. Goldschmidt, an insolvent estate.

On being asked whether any offer has been made to take the completion of the whole of the Deep Cut at 17½ cents per cubic yard and rejected, the work being given to another person at 25 cents per cubic yard. Mr. Yates says, that such offer was made but not accepted, and the higher price given. The offer was communicated to him before any work was commenced, and the reasons assigned for rejecting it were satisfactory to him at the time.

It was evident to him from the examination of the work and the Report of the Engineers that the work could not have been completed at 17½ cents, and that any Contractor who would have taken it at that price must have been ruined.

He is satisfied that the person who offered it at 17½ cents would have failed in his contract had it been given to him, and that the Company must thereby have sustained great injury, and it was thought more for the interest of the Company to give that work even at a higher price to a person who would complete it than to run any risk in accepting the cheaper proposal. It was not offered at the higher price to the person who made the lowest proposal.

All the Stock would not probably at this time be taken up at New York if offered, as there are several very influential persons, Stockbrokers there, who apparently from interest are hostile to the undertaking, and who have taken pains to depress the value of the Stock as well in Lower Canada as at New York.

He thinks that the effect of completing this canal would be that it would afford the means to the Company to embark in other undertakings for the improvement of the navigation. If the navigation of the St. Lawrence were improved it would have a good effect upon the stock of the Welland Canal.

It would be an advantage that the Company should have it in their power after the completion of the Canal to go on with the improvement of the navigation of the St. Lawrence, as each of these undertakings, when completed, would give additional value to the other.

ALFRED BARRETT.

Is a Civil Engineer, educated under Wright and Roberts—all his experience has been acquired at the Erie Canal—he still holds his station as an Engineer in the State of New York—has frequently had the immediate direction of parts of the Erie Canal under the general superintendance of Mr. Wright and Mr. Roberts—since the 10th May last has been constantly employed in superintending Welland Canal and Harbor.

The Contractors have generally proceeded well, and no difficulties have occurred in the work which were not anticipated—that it does not appear to him that any material error has been committed, either in the planning or progress of the work—the expenditure has been regulated by his certificates of the work done—the contracts had been formed before he came, and he thinks the prices were reasonable.

He assisted in making all the calculations contained in Mr. Thomas' report, dated 11th November 1826, and is of opinion that the sum therein stated will be required to complete the work from the Welland to Lake Ontario, and that an additional sum will be required for the Harbor—the probable sum may be $15,000—the original estimate was $15,000, and he thinks it will cost double that sum, from the extension and the increased dimensions of the Piers and the additional depth of excavation, as well as to make the whole more substantial—thinks the whole can be completed at as cheap a rate in one year as in two, and the Contractors are anxious to proceed so as to finish next summer, and that they would feel it a disadvantage if not allowed to do so—thinks it practicable to complete the whole from the Welland to Lake Ontario next summer, if furnished with means. The operations are almost wholly suspended at this time, but will be renewed in the latter part of March or beginning of April—an average expenditure of from 30 to $32,000 per month, from March till January next, inclusive, would complete the work.—Does not anticipate any difficulty at the Deep

Cut, having already dug down to the bottom level without obstruction—the rock excavation does not exceed a quarter of a mile, and may be done for less than the original estimate. It is very important to the Contractors, in order that they may make their preparations,to know how the operations of the Company are to be conducted next summer.

Thinks that there would be no great surf at the Harbor except from easterly winds, and that if it was blowing an easterly gale a Vessel might conveniently enter the Harbor. There will be 12 feet water in the Harbor when completed, and it may be finished by the first of August—the Canal is now nearly completed to St. Catharines, except the Harbor—the Harbor will not require any expenditure beyond what is stated in Mr. Thomas' Report, unless a Breakwater is constructed, in which case it may require about a thousand pounds additional. If the Locks were completed on the mountain ridge on the same scale as from St. Catharines to the Harbor, it would occasion an expense to the Company of about $42,000, or £10,500, including the alterations to be made in the Locks already completed, and the sum already expended in finishing them, which must be nearly all lost to the Company. The loss in taking up the Locks now completed to enlarge them, would be seven thousand dollars. The expense of enlarging the two Locks between Saint Catharines and the Harbor has been about $2,000 beyond the original estimate and the cost considered necessary to make them substantial—has formed no estimate of the difference of expense in taking the Canal to Niagara or through St. Catharines.

Thinks there is no doubt the Harbor will be completed on the present contract, and will be permanent —the original estimate was for a Harbour of eight feet water, but it is now thought necessary in order to make it more safe, to have it 12 feet deep, and the expense is necessarily increased. All that part of the Canal between the Welland and Lake Ontario is now contracted for, and will in his opinion be completed at the contract prices, with the exception of Sections 15, 16 and 20, which will require an additional sum of £1000 to finish them.

The Contractors for the Deep Cut have expressed doubts whether they could afford to complete their contracts at the prices contracted for, being 25 cents per cubic yard, and have intimated that they will be unable to proceed at that price, but he thinks the whole may be completed at 25 cents.

About $27,000 has been paid for work done since the date of Mr. Thomas' Report, and work to a greater amount has been done, but one fourth of its value has in most cases been reserved by the Company to ensure the fulfilment of contracts—as agreed upon by the contractors.

About £77,488 14 11 will be required at the contract prices to complete the Canal, exclusive of the Breakwater. The Contractors for the Deep Cut have received about 19 cents per cubic yard on their whole Contract; but not more than the value of the work done by them—care has been taken to pay only so much for the work done on the surface as may leave enough to complete the bottom, even should the present Contractors fail, at the rate of 25 cents per cubic yard.

Does not think that the present Contractors for the Deep Cut can make much by it, and that if any person had taken it for less he must have lost by it.

He has thought that 25 cents per yard was too small a price.—It has been customary to retain 25 per cent on the work done, to insure the completion of the remainder; but this has not been done with the Contractors for the Deep Cut, who have given their Notes to the Company for the amount usually withheld. This has been in pursuance of the terms of the Contract entered into.

These Contractors are men generally considered wealthy and able to answer the amount of theirNotes in case they should fail in performing their Contracts.

There is no indication at present of the banks on the Deep Cut slipping—but the banks may, and probably will, acquire a greater slope eventually.

The earth in that case may be more easily removed by the Canal, and the expense will be much less than to remove it at present. It is not however, probable that any alteration in the slope of the banks will take place for some years, as care has been taken as much as possible to prevent any water washing over them from the adjoining banks. Thinks that the Welland Canal will be as productive as any portion of equal extent of the Erie Canal—and more so.—The expense of the Erie Canal from Lockport to Buffalo, has been (exclusive of the Locks) about six hundred thousand pounds. Thinks the whole Canal can be completed within the amount of Mr. Thomas' estimate, with the exception of the Breakwater, which he thinks will be necessary to make the Harbor secure. The Contractors on the Deep Cut of the Canal have been paid at the rate of 15 cents per cubic yard for the first 8 or 10 feet, and an additional half cent for every foot lower.

Is of opinion that the system adopted by the Directors in paying the Contractors as they progressed in the Deep Cut, has been judicious, and that the work could not otherwise have been so advantageously conducted.

Feels confident from his experience and observation that the progress of the work will not be interrupted by rock in the Deep Cut.

Has had a conversation with Mr. Clowes, the Engineer, recently, respecting Sections 15 and 16, which have been contracted for at 12 and 13 cents per cubic yard. Mr. Clowes then said that these Sections could not be done for less than 20 cents, and that he had been quite mistaken in his estimate of the Deep Cut, that he had estimated too low.

WILLIAM H. MERRITT, ESQ.

Agent for the Welland Canal Company,

Was present when Proposals, under seal, were received and opened by the Board of Directors for the Deep Cut.

The lowest offer was from Chapman and others at 16½ cents per cubic yard—the next was from John and James Clowes at 17½ cents per cubic yard—and the next from Messrs. Hovey, Beach, and Ward, at 25 cents per yard—and there were from 30 to 40 offers from other persons at higher prices. The Board decided on accepting the lowest

proposal, on being furnished with sufficient security for the completion of the contract; and fourteen days time was given to furnish such security, at the end of which time no security being given, it was decided to give the contract to Messrs. Hovey, Beach, and Ward, without having offered it to Messrs. Clowes. The Board did not enquire from Messrs. Clowes whether they could furnish security, being satisfied that they had not the means of going on with the work, and also that no sufficient security could be furnished by them. The board was influenced also in its decision by the consideration that the managing Engineer Mr. Clowes was the father of the proposed contractors. It had been previously ascertained that the work could not be done at the price offered by Messrs. Clowes, and it was the unanimous decision of the board that their offer should be rejected, and that of Messrs. Hovey, Beach, and Ward accepted. Has heard seme of the principal stockholders express their entire satisfaction with the course pursued in relation to this contract, and never heard any of them object to it except Mr. Gordon of Niagara, who is not now a stockholder.

In giving out so large a contract (equal nearly to one half the work from the Welland to the harbor,) it was important that some persons of sufficient capital and means should be employed, and on that account, as well as for the reasons before given, the Board preferred the proposals of Messrs. Hovey, Beach, and Ward, from whom it was not considered necessary to exact any security; they were then stockholders to the amount of $10,000, and on taking the contract they took stock to the amount of $15,000 more.

He has no discretionary power in management of the Co.'s affairs as agent, but is governed wholly by the Directors of the Board. The work has gone on more favorably in every respect than was at all anticipated, and no unforeseen obstacles whatever have presented themselves.

More work has been done for the amount expended than has been done for the same amount on any part of the Erie Canal, similarly situated, or any other undertaking of the kind with which he is acquainted.

He applied at the commencement of the undertaking to Messrs. Prime, Ward, and Sands, who are considered as very extensive and influential brokers at New York, and offered them 2½ per cent to induce them to get the Welland canal stock taken up—they refused to do so, and assigned as their reason that the opening of this canal would be injurious to them in as much as it would divert the course of trade from New York to Montreal, and they expressed an opinion that no persons at New York would be found to embark in the undertaking on this account.—Thinks that the stock now remaining would not be taken at New York from the scarcity of money, and for the reasons assigned by Messrs. Prime, Ward, and Sands. It would operate against the stock if no aid were now afforded by the Legislature, as it would be supposed that the withholding such aid proceeded from apprehension after due enquiry as to the practicability or profit of the work. The most effectual mode of affording the desired aid would be by taking stock for Government, as it would at once give confidence in the ultimate success of the undertaking, and could not fail to have a good effect upon the stock which might remain to be offered in the market.

If Government were to take stock to the amount of £50,000, including the loan already made, he thinks the Company would be enabled to proceed to complete the work, but it would be a more effectual and certain aid if the government were to take, in the whole, to the amount of £75,000, as it would withdraw so much stock from the market.

Thinks the alterations in the charter prayed for by the Directors are important and necessary to them, and that it would be advantageous that power should be given to the present Company to increase their stock for the purpose of improving the navigation of the Saint Lawrence. The Company will have gained experience in their present undertaking, which will enable them more advantageously to execute the work necessary to the improvement of the Saint Lawrence, and no time will be lost in the accomplishment of the latter object, as the Company could enter upon it immediately after the completion of the Canal, or sooner if circumstances admit of it.

With respect to the lateral cut to Niagara, he thinks it would be beneficial to the Company to *enable* them to make it; but that it would be *injurious* if it were made imperative upon them, and thinks it will be the interest of the Company to make this cut eventually.

Mr. Wenham.

There are only eight stockholders in the province qualified to be directors—there are 7,126 shares taken and now held, on which all the required instal ments have been paid; (65 per cent) the act authorises 16,000 shares—8,874 remain to be taken—£606 15s paid agreeable to the award of arbitrators to persons claiming damages from the Company—the balance awarded remains unpaid till the parties interested sign conveyances to the Company.

About £82,000 expended by the Company; the instalment now called for will amount to about £7000, and will be sufficient to pay off all the demands against the Company.

The 7,126 shares of stock subscribed have been taken as follows:

5480	shares	at New York.
505	"	at Montreal.
40	"	at New Brunswick.
232	"	in Upper Canada.
510	"	by Smith, Ward, & Co., Contractors.
359	"	at Quebec.

Doctor Lefferty.

Thinks the canal cannot be completed for less than £300,000—has been at the canal and thinks the principal contractors are very industrious and fit persons to be employed. Thinks Messrs. Hovey & Co., cannot complete their contract on the deep cut for the amount agreed upon—cannot get through for less than 40 or 50 cents per cubic yard.

Question.—Does it appear to you that the Welland Canal ought to be regarded as an undertaking so im-

portant to the public that it should be assisted by the funds of the province, if such assistance shall appear necessary in order to ensure its completion? and if you do not so regard it, what are your reasons?

Answer.—Does not regard it as an undertaking which will be profitable to the country if money should be invested in it, and thinks that if the Province were to take stock it would not yield the interest of the money invested—does not think it will pay interest for many years—perhaps not for 50 years. This is his only reason for being unwilling to afford public aid.

Thinks that two waggons would have taken all the transport between Chippawa and Queenston, of that part of the country west of Chippawa for some years back.

Question.—Can you state any particular objections to the mode of proceedings adopted by the Company or their agent?

Answer.—Objects to the proceedings of the Company, having in the first place applied for a Canal for boat navigation, the cost of which was estimated at £40,000. Then applying for sloop navigation to cost £80,000, subsequently coming forward with a statement shewing that the canal would cost £147,000, and now the cost is estimated at £200,000.

He further objects to the proceedings of the Company in not having satisfied the persons through whose lands the canal passes.—Thinks the Directors have acted improvidently in laying out monies on that part of the canal from the Deep Cut to the Harbor, in as much as the Deep Cut cannot in his opinion be completed in less than two years and the Company is in the mean time losing the interest of the amount expended from the Deep Cut to the Harbor, which part he thinks might be at any time completed in three months. Has no other objections to urge as to the proceedings of the Company or their agent.

Samuel Wood.

Resides within 50 yards of the route of the canal, but has never visited the Deep Cut since the Contractors have commenced upon it, nor has he often visited the Harbor. He has no objection to urge against the Company, except, that he has not been paid for his land. He declined leaving the value of his lands to the arbitrators who decided upon other claims, as he preferred a reference to two persons. But he would now be unwilling to leave it to arbitration. He proposed leaving his claim to the decision of Mr. Street, who had been chosen as an arbitrator by the Company and also by him, but the Company declined leaving it to Mr. Street alone.

Charles Ingersol, Esq., M. P.

Is not a Stockholder in the Welland Canal.—Resides in the township of Oxford, London District, and is well acquainted with the London District, and in some measure with the Western. The population of the London District is about 19,000, almost wholly agriculturists.—Taking the whole district, thinks it is not excelled as a grain country by any district in the Province.

The completion of the Welland Canal would be extremely beneficial to the people of his District, who generally feel a deep interest in the undertaking, and would feel it as a great public misfortune if it were to fail.—Has no doubt that if the Canal were completed a great deal more produce would be raised and sent to market than at present. Has read the communication and estimate of Mr. Yates, as to the probable quantity of produce, &c., which may be expected to be forwarded through the canal, and has no doubt, that within a very short time after the completion of the Canal, Mr. Yates' estimate will be realised.

Thinks 50,000 barrels of flour, and 4000 barrels of potash will almost immediately after its completion be sent through the Canal from the London District, and the country adjacent to the Grand River. The District of Gore, which is not so populous or extensive as the London District, has sent to market during the last year about 22,0000 barrels.

A greater quantity of potashes would be sent if the Canal were completed, and a great deal of wheat which is now used in distilleries, and made into whiskey, would be manufactured into flour and sent to market.

Thinks there is no mode of granting any public assistance to the London and Western Districts, which will be so beneficial to them as the opening of the Welland Caual.

James Gordon, Esq., M. P.

Resides at Amherstburg, and knows that the people of the Western District look with very great interest to the completion of the Welland Canal, and would consider the failure of the undertaking as a great misfortune—there are some fertile tracts of country in the Western District, which have been long settled, and which have remained nearly stationary as to improvements from the want of markets for their produce.

He is satisfied that no public aid which could be afforded to the people of the Western District could be so advantageous to them as the completion of the Welland Canal, as it would enable the people to send many heavy articles to market, which at present they cannot—a great deal of lumber would be sent if the canal were completed—a great deal of potash would be sent from the Western District if facilities of transportation were afforded—at present the charges of transport across the portage and elsewhere are so great and the price at market so low that very little is sent.

Has no doubt that the epening of the canal will promote the settlement of the country to the west of it, as it will afford to settlers a more easy mode of conveyance to and from market with their produce, &c.

Thinks if the Canal were completed its advantages would induce many to settle in the Western and London Districts who at present will not do so, though the climate and soil are very favorable.

The inhabitants in the western part of the province do not raise more than sufficient for their own support, as the difficulties and expenses of sending to market are so great that they cannot meet the produce from other parts of the province on equal terms in market.

The Honorable Thomas Clark.

Says, that in his opinion the Welland Canal will be advantageous to part of the London District and the Western District, but that its advantages will not be much felt by the other parts of the province.

He does not think that the business on the Canadian side will be sufficient for many years to pay the interest on the cost of the Canal. Has understood that it is in contemplation to improve the navigation of the Erie Canal from Lockport to Tonnewanta Creek, and to open a Canal from Lockport to the Eighteen Mile Creek, which empties into Lake Ontario. Should this be done and a sloop navigation opened, it will of course affect the Welland Canal.

Has visited the whole of the route of the Welland Canal from the harbour to Chippawa, and has no doubt at present, though he once was inclined to question it, that it will be completed. Thinks the money has been well expended.

The Engineer, Mr. Barrrett, declared upon oath, in August last, that one-half of the work from the Welland to the mouth of the 12 Mile Creek was then done; and Mr. Keefer, one of the Directors, also stated on oath, before the Arbitrators, that he thought the Company would have means through their connexions at New York, to complete the Canal from the Welland to the harbor.

He does not think the harbour at the 12 Mile Creek will ever be as commodious as that at Niagara.

The entrance into the Niagara River from Lake Erie is frequently blocked up with floating ice from three to five weeks at a time in the spring of the year, after the opening of the navigation in other places. The Canal will be open on an average from three to four weeks before the Niagara River can be entered from Lake Erie, but the easterly winds blowing the ice up the Lake may prevent vessels from entering the Grand River. Until the Canal from the Welland to the Grand River is completed, all vessels going into Lake Erie will have to cross to the American side in order to go through a lock to pass the Fort Erie Rapids, unless when there is a very strong wind in their favor.

Francis Baby, Esquire, M. P. *for Essex.*

Has not visited the Welland Canal—has resided in the Western District since its first settlement—is acquainted with all parts of it—the settlements have not advanced so rapidly as in other parts of the Province—the land is of as good a quality he thinks as any other part of the Province he has seen, and the climate much preferable—the want of a water communication has kept the country back—the people of the Western District are very anxious respecting the Welland Canal, and think it the only thing that can make that District prosperous—thinks if it were to fall through for want of means they would consider it the greatest misfortune they could meet with—there is, in his opinion, no manner in which public public money could be expended that would produce so much good to the District.

All the surplus produce that is raised on the Thames and around Sandwich, is taken to Detroit and sold there. The soil is vere favorable for Indian corn, and if there was a good market for pork at Montreal, and the difficulty of transport removed, a great quantity might be sent from thence.

Alexander Wilkinson, Esquire, M. P. *for Essex.*

Has not seen the Welland Canal, knows that it is regarded with much interest by the inhabitants of the Western District—agrees perfectly in Mr. Baby's statement. Tobacco is becoming a very important article of cultivation in the Western District. It is almost four years since any considerable quantity began to be raised there—this year about 700 hogsheads he thinks have been raised—it is packed for market in hogsheads which being bulky, and the tobacco requiring to be carefully preserved from wet, any facility in the transport is of much consequence.

Richard Beasley, Esquire, M. P.

Resides at Barton—thinks the Welland Canal is a work of much consequence to the western parts of the Province—is well acquainted with the country, thinks the inhabitants of such parts of the District of Gore as border on the Grand River would share in the benefits afforded by it so soon as the cut to the Grand River is completed. The waters of the Grand River usually open about the latter end of April and continue high through May and June—often highest in June—and produce could be sent down the stream from the Falls at Woolwich to the mouth—staves could also pass down. The country on the banks of the river within some miles of it is in general very fertile, and when the country is fully peopled must be very productive, being favorable for grain, both as regards climate and soil—a great deal of pine lumber would be floated down the river. He thinks the inhabitants of the section of the Province bordering on the Grand River look forward anxiously to the completion of the Canal, and would be much disappointed if the undertaking were to fail.

Francis L. Walsh, Esquire, M. P. *for Norfolk.*

Resides in Charlotteville, has a general acquaintance with the eastern parts of the District—thinks there is not so much interest felt there respecting the Welland Canal as might be supposed, which he attributes in part to the circumstance that the Erie Canal affords an outlet for a good deal of their produce—feels himself indifferent as to its success—thinks there is a duty on Canadian produce in the United States, but it is sometimes evaded.

Being asked if intercourse with the United States should be suspended or high duties imposed, where the market would be for their produce? says it must be taken below.

Has frequently heard merchants say they did not think Canal stock would pay two per cent.

January 15th.

EDWARD MCBRIDE, ESQ. M. P.

asked the general question proposed by the instruction given to the Committee—thinks the work one of great interest to the inhabitants of the Western section of the Province.

Has seen the Canal about the beginning of December, and having been one of the Arbitrators had occasion in August last, to examine the whole line—was very much pleased with its progress, and has strong hopes of its accomplishment.

Nothing has occurred to lead him to doubt it—thinks it a work of that consequence that if it cannot be otherwise effected, public aid should by all means be afforded to it—thinks it very important to the District of Niagara that a cut into the Niagara River should be authorised; and considers it of additional consequence, from an opinion which he entertains that the Harbor at the 12 mile Creek will not be convenient of access in bad weather.

There has been no recent survey made of the proposed lateral Cut, nor any regular estimate of the expense of it, on a scale commensurate with the Welland Canal, thinks it would cost from 35 to 40,000 pounds, and that the Stock so vested could be as productive as the other.—Is of opinion that another strong inducement to connect the Canal with the Niagara River is, that Vessels of large burthens which could not enter the Harbor of St. Catharines could go into the Niagara River securely and deposite their cargoes, and might, if necessary, have the advantage of a Dry Dock for the purpose of repairs, and that the hydraulic powers which would be erected at Niagara would be of great advantage to the Company.

ALEXANDER STEWART, ESQUIRE,

Is one of the signers of the Petition for a lateral Cut to Niagara. No particular Survey or estimate has been made since the Petition was preferred last year—thinks from conversation with Engineers that a Canal might be made on as large a scale as the Welland for £30,000 or less—concurs in Mr. McBride's statement as to the inducement to a lateral Cut.—Is informed by Masters of Vessels that when the wind sets strongly for the Eastward, it will be impossible to enter the Harbor, and that it will be difficult for Vessels to put out from the Harbor with strong winds, although they may be from such a quarter as would take them down the Lake if they could safely leave the Harbor.

The proprietors of land along the route have agreed to relinquish what the Company may require without remuneration.—Thinks not less than $50,000 Stock would be taken in Niagara by persons favorable to the lateral Cut, and that the whole could be procured without difficulty in a short time.

THE HONORABLE JOHN HENRY DUNN,
President Welland Canal Company,

Says that from the small quantity of Stock taken up, and the little prospect of a subscription for the remainder, the Company would be greatly embarrassed in the further progress of the work, unless some aid is afforded by the province.

If the Government were to take Stock to any considerable amount it would have the effect of establishing confidence in the undertaking, and there would be no difficulty in getting sufficient of the remaining Stock taken up to complete the work—thinks it would be much more advantageous to the Province and the Company that any aid which may be afforded should be by taking Stock rather than by making a Loan.

If a Loan were made to the Company it might deter persons from taking Stock on account of the debt which the Company will be owing, but if Stock were taken by the Province it would have the double effect of withdrawing so much Stock from the market and giving confidence in the value of the Stock remaining to be taken. Thinks if the Canal were completed it would pay the interest of its cost immediately, but even if it should not pay more than 1 per cent for the first year or two, still the Stock must be valuable, as the intercourse through the Canal must greatly increase as the Western parts of the Province become settled.

The present embarrassments of the Company arise from unfortunate circumstances in having withheld one half of the Stock for British Capitalists at a time when the whole might have been taken up in the United States, and having subsequently offered that Stock in England, when owing to the great pecuniary embarrassments then generally felt, and other causes, few if any persons could be found to embark in so distant an undertaking.

If the Province were to take Stock, he is satisfied that when the Canal is completed it can be sold without difficulty, as many persons are prevented from taking Stock by the apprehension that the Canal will not be completed.

No. 2.

ACT OF PARLIAMENT, 8TH GEO. 4TH, CHAP. 2.

An Act to enable the President and Directors of the Welland Canal Company to accept an aid from His Majesty's Government, towards the completion of the said Canal, and to secure His Majesty the free use thereof.

[Passed February 17th, 1827.]

WHEREAS, His Majesty has been most graciously pleased to intimate, through the Principal Secretary of State for the Colonies, to His Excellency the Lieutenant Governor of this Province, that His Ma-

jesty would be willing to afford to the Welland Canal Company his royal aid and assistance, to the extent of £16,360 sterling, being the one ninth part of the sum represented to His Majesdy as the estimated cost of the said Canal, upon condition of the locks thereon being constructed of at least 22 feet in width; and also upon His Majesty being secured in the use of the said Canal, for all vessels and boats, when engaged in conveying Government stores, without payment of any duty or toll; *And whereas*, His Majesty's royal intention having been communicated by His Excellency the Lieutenant Governor to the President and Directors of the said Company, they have expressed their desire to accept His Majesty's bounty upon the terms in which His Majesty has been pleased to signify his pleasure thereon; *And whereas*, for carrying His Majesty's most gracious intentions into effect it is necessery to secure to His Majesty the free use of the said Canal for the public services of His Majesty, by an act of the legislature; *Be it therefore enacted* by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an act passed in the Parliament of Great Britain, entitled "An Act to repeal certain parts of an act passed in the fourteenth year of His Majesty's reign, "entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec, in North America,' and to make further provision for the Government of the said Province," and by the authority of the same "That the locks of the said canal shall not be constructed of a less width than 22 feet; and that in all time to come all vessels and boats the property of His Majesty, and all other vesssels and boats when engaged in carrying His Majesty's stores, shall be at liberty to pass and repass upon and through the said canal and locks without the payment of any duty or toll; *Provided always*, that nothing herein contained shall extend, or be construed to extend, to exempt from the ordinary charges of toll or duty such goods or commodities, the property of indiuiduals, as shall be transported in any vessel or boat not being tbe property of His Majesty, or the tonnage employed in transport thereof.

No. 3.

ACT OF PARLIAMENT, 8TH GEO. 4TH, CHAP. 17.

An Act for affording Public Aid towards the Completion of the Welland Canal.

[Passed 17th Feb. 1827.]

WHEREAS it is necessary to afford public aid in furtherance of the great undertaking now in progress for uniting the waters of Lake Erie and Ontario by a Canal, navigable for such vessels as are ordinarily used for transport on the Lakes.

Be it therefore enacted, by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of, and under the authority of an Act passed in the Parliament of Great Britain, intituled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's Reign, intituled, 'An Act for making more effectual provision for the Government of the Province of Quebec, in North America, and to make further provision for the Government of the said Province,'" & by the authority of the same, That at any time before the first day of April next it shall be in the power of the Governor, Lieutenant-Governor, or Person administering the Government of this Province, to direct His Majesty's Receiver-General to subscribe Stock in the Welland Canal Company to the amount of Fifty Thousand Pounds, which Stock shall from thenceforth be held as, and deemed to be, public Stock, and that the Government of this Province shall, as the holders of such Stock, be subject to the same conditions and have the same powers, advantages, and privileges as other Stockholders in the said Company.

II. *And whereas*, it will afford great relief to the said Company to be enabled to avail themselves of the whole funds thus subscribed by the Government, without the delay of calling in instalments, and such advance will further enable the said Company to resume and continue their operations without the necessity of exacting from individual Stockholders such rapid advances of capital as they have hitherto, at great inconvenience, been compelled to furnish; *And whereas*, it is reasonable that, in consideration of such facility to be afforded to the Company, the Government should be relieved from the immediate payment of interest on the sum to be advanced by them, *Be it therefore enacted by the authority aforesaid*, That before such sum of Fifty Thousand Pounds shall be advanced by the Government to the said Company, a written assent, under the Seal of the said Company, shall be deposited with His Majesty's Receiver-General for the time being, signifying that they are willing to accept the said subscription of Stock and the payment of the same in full, upon the condition that the said Company shall pay to the Government, half-yearly, the interest upon the said sum of Fifty Thousand Pounds, from the time of the same being advanced until the expiration of one year from and after the completion of the Welland Canal from the Grand River to Lake Ontario: *Provided always nevertheless*, that so soon as the proceeds of the said Canal shall afford to the Company a clear dividend of Six per Centum upon the Capital advanced, such interest so paid to the Government shall be equitably adjusted as between the Government and the other Stockholders, in any dividends to be thereafter made.

III. *And be it further enacted by the authority aforesaid*, That the Welland Canal Company shall, before receiving the payment of the Stock to be taken under the authority of this Act, deposit with His Majesty's Receiver-General a Bond under their Seal, in the penalty of Twenty Thousand Pounds, binding themselves to pay annually to His Majesty the legal interest upon such payment, until the expiration of one year after the whole Canal shall be finished.

IV. *And be it further enacted by the authority aforesaid*, That it shall be in the power of the Governor, Lieutenant-Governor, or Person administering the Government of this Province, at any time in his discretion, to direct the Receiver-General, for the time being, to sell and transfer the Stock so sub-

scribed, or any portion thereof, so soon as its nominal value can be obtained, and that the sum to be received for the same shall be paid to and remain in the hands of His Majesty's Receiver-General, for the time being, subject to the disposition of the Legislature thereof.

V. *And be it further enacted by the authority aforesaid,* That the interest to be paid by the said Company within the period aforesaid, shall be applicable, by His Majesty's Receiver-General, to the payment of interest on any Loan that may be contracted by the Government for the purposes of this Act, and that all such payments and dividends as may thereafter be paid to the Government on account of the said Stock shall and may be applicable to the public uses of this Province as the Legislature thereof may direct.

VI. *And be it further enacted by the authority aforesaid,* That the sum of money herein authorized to be raised by loan and paid on account of Stock to be held in the said Company, shall not be subject to any deduction of poundage for the Receiver-General of this Province.

VII. *And whereas,* to provide for the payment of the Stock to be subscribed as aforesaid, it is necessary to authorize the raising, upon Debenture, the sum of Fifty Thousand Pounds, in manner hereinafter mentioned: *Be it therefore enacted by the authority aforesaid,* That from and after the passing of this Act, it shall and may be lawful for the Governor, Lieutenant-Governor, or Person administering the Government of this Province, to authorize and direct His Majesty's Receiver-General of this Province to raise by loan, at a rate of interest not exceeding Six Pounds per Centum, and as much lower as can be obtained from any Person or Persons, bodies Corporate or Politic, who may be willing to advance the same upon the credit of the Government Bills or Debentures, authorized to be issued as hereinafter mentioned, such sum not exceeding in the whole, Fifty Thousand Pounds, as may be required for the purposes of this Act.

VIII. *And be it further enacted by the authority aforesaid,* That it shall and may be lawful for the Receiver-General, for the time being, to cause or direct any number of Debentures to be made out for such sum or sums of money, not exceeding, in the whole, the said sum of Fifty Thousand Pounds, as any Person or Persons, bodies Corporate or Politic, shall agree to advance on the credit of the said Debentures, which Debentures shall be prepared and made out in such method and form as His Majesty's Receiver-General shall think most safe and convenient, and shall be signed by him, and that for each loan or advance three several Debentures shall issue at the same time, bearing date on the day on which the same shall be actually issued, and being each for the payment of one-third of the sum so advanced, at the expiration of periods not shorter than two, four, and six years respectively, with interest according to the rate at which such loan shall be negociated, from the date of such Debenture until the same shall be discharged.

IX. *And be it further enacted by the authority aforesaid,* That all such Debentures, with the interest thereon, and all charges incident to or attending the same, shall be, and are hereby charged and chargeable upon, and shall be repaid and borne out of the monies that shall come into the hands of the Receiver-General, to and for the public uses of this Province, and at the disposal of the Legislature thereof.

X. *And be it further enacted by the authority aforesaid,* That the loan authorized by this Act shall be contracted for, upon the express condition that at any time, either before or after the said Debentures, or any of them, which are by this Act directed to be issued, shall become due, according to the terms thereof, it shall and may be lawful for the Governor, Lieutenant-Governor, or Person administering the Government of this Province, if he shall think proper so to do, to direct a Notice to be inserted in the Upper Canada Gazette, requiring all holders of the said Debentures to present the same for payment; and if, after insertion of the said Notice for three months, any Debenture shall remain out more than six months from the first publication of such Notice, all interest on such Debentures, after the expiration of the said six months, shall cease and be no further payable, in respect to the time which may elapse between the expiration of the said six months and their presentment for payment.

XI. *And be it further enacted by the authority aforesaid,* That all and every the provisions contained in a certain Act of the Parliament of this Province, passed in the seventh year of His Majesty's Reign, entitled, "An Act to authorize the Government to borrow a certain sum of money upon Debenture, to be loaned to the Welland Canal Company," respecting the Debentures, authorized by the said Act passing current, with certain Public Accountants, the payment of interest upon the same by such Accountants, and the suspension of interest in certain cases, the submitting to the Legislature accounts of such Debentures, and the interest paid thereon and the expenses attending the same, the payment of interest to holders of such Debentures, the remuneration to the Receiver General for the services required by the said Act, paying off and cancelling the said Debentures; and also, the provision made in the seventh Section of the said Act, for punishing the forging of any Debenture thereby authorized to be issued, or of any matter or thing relating thereto, or the knowingly uttering any such forged Debenture, or other matter as aforesaid, shall apply to, and be in force in respect to the Debentures which shall be issued according to this Act.

No. 4.

DESPATCH FROM LORD BATHURST.

COPY, DOWNING STREET,
30th September, 1826.

SIR,

His Majesty's Government having granted the sum of twelve thousand pounds in aid of the expense of constructing the Lachine Canal in Lower Canada, upon condition that all boats and vessels with public stores should be permitted to pass without the payment of any toll or duty, and considering that the Welland Canal, now in progress on the Niagara frontier, will afford great facility in forwarding stores to Lake Erie and the upper parts of the

province of Upper Canada, and that by constructing the locks of the width of twenty-two feet, it would become a work of much greater public utility: I am to desire that you will acquaint the Directors that His Majesty's Government would be willing to afford the same degree of assistance towards the expense of the Welland Canal which was given to that of Lachine, which was about a ninth of the estimated sum required in its completion, and as the estimated expense of the Welland Canal is one hundred and forty seven thousand two hundred and forty pounds, the sum to be contributed by the public for the privilege of forwarding government stores, &c., would be sixteen thousand three hundred and sixty pound

In the event of the Directors agreeing to this proposal it is necessary that a provincial act should be passed in which the Company shall engage to construct the locks of the canals of the width of at least twenty-two feet, and securing the use of the canals to all vessels and boats the property of His Majesty, and also to all other boats and vessels when engaged in carrying government stores, without the payment of any duty or toll, in consideration of receiving the sum of sixteen thousand three hundred and sixty pounds, to be paid in four equal annual instalments or sooner if the canal should be completed at an earlier period.

I have the honor to be,

Sir,

Your most obedient humble servant,

(Signed) BATHURST.

MAJOR GENERAL
SIR P. MAITLAND,
K. C. B. &c. &c. &c.

Certified,

G. HILLIER.

No. 5.

REPORT OF THE BOARD OF DIRECTORS FOR 1827.

In presenting to the Stockholders the annual report of the proceedings of this Company, the Directors have every reason to congratulate them and the public, on the results of the last year's operations.—And although they have had to contend with many difficulties, inseparable from works of such magnitude yet these have been less than might reasonably have been expected.

Although the sanguine expectations entertained last year by the Directors, that the amount of stock then remaining unsubscribed would speedily be taken up, have not yet been realised as far as individual subscriptions are concerned, yet the timely and effectual support afforded by the Legislatures of both provinces during the last session of their respective Parliaments, entirely relieved the Directors from that embarrassment which must otherwise for a time have paralysed their exertions. The ample means thus afforded have enabled the Directors to continue their operations during the past year with increased vigor.

By the opening of the season, the Contractors for the Deep Cut, Messrs. Beach, Hovey and Ward, represented their inability to carry on the work farther at the price contracted for, and the Directors, after a full consideration of their proposal, censented to release them from their engagements, and to make preparations for reletting that portion of the work. Preparatory however to entering into any new contracts for the completion of the Deep Cut, the Directors offered a reward of £125 to the person who would construct a machine that would remove the greatest quantity of earth in a given time, at the least expense, and many intelligent men were competitors for the premium.

The best inventions were those of Mr. Oliver Phelps and of Messrs. Pratt and Simpson, who have used them with great advantage during the past season.

The machine invented by Mr. Phelps, which has been generally used, consists of a wheel revolving round an axle, having one end fixed to the ground, and at such an angle as to bring the rim of the wheel upon the same plane with the slope of the road up the band,—around this wheel a rope is passed, with a hook at each end to attach the empty cart going down and the loaded one coming up, keeping the cattle at a draft up and down—the empty team going down being generally sufficient to bring the returning load up with little labor to the cattle drawing the latter; thereby in effect reducing the ascent to a level.

The rains set in last autumn much earlier than usual; and from the stiff and adhesive nature of the clay the work could not be prosecuted with advantage in wet weather, and the contractor thought it most judicious to suspend operations towards the latter end of October—which in the end proved fortunate, as the rain continued during the whole of the following month.

The Deep Cut contained in September, 1825—1,487,514 cubic yards of earth: there now remains only 371,643 to be removed; consequently there can be no reasonable doubt that the whole will be finished in good time next season, as we have had but little more than two entire seasons to remove the great proportion already excavated.

From this to the brow of the Mountain, including sections 7 to 16, (or lock No. 1,) a distance of 4¼ miles, the canal is finished and ready for the reception of water, with the exception of 12,000 cubic yards on section 15, which will stand over till next season. This section and No. 16, for a distance of 20 chains averaged 20 feet of deep cutting: the excavation proved very hard, and the Directors cannot speak in too high terms of the perseverance, industry, and good management of the contractors—Messrs. Bell, Richardson & Co., under whose immediate direction it has been conducted. This part of the Canal, (viz., from section 7 to 16), being a continuance of the summit level, contained, on commencing in the spring of 1826—407,641 cubic yards of excavation, and 124,567 yards of embankment, which has been finished by the same contractors who were mentioned in the appendix to last year's report.

The excavation along the declivity of the mountain, comprehending the sections from 17 to 30 inclusive, and extending to the distance of 4 $\frac{9}{10}$ miles, is all finished, except what is purposely left for backing or filling in the sides of the locks.

The locks down the mountain, thirty-two in number, are in a state of great forwardness, with the exception of two; and the whole may easily be finished early in the ensuing season. This part of the canal, embracing the mountain descent, contained originally 224,556 cubic yards of earth, and 57,000 yards of rock excavation; 303,313 yards of embankment, and 33,000 yards of puddling.

The remaining part of the Canal to Lake Ontario, including a distance of 5 miles is finished and filled with water; it presents a surface of great width throughout, and affords a correct view of the magnitude of the canal. This part required originally 157,566 cubic yards to be excavated, and 158,609 to be embanked. For a more particular detail see Engineer's Report, Appendix (A.)

Of the 2,333,706 cubic yards of earth originally required to be excavated on this Northern section of the Canal, 406,553 yards now only remain to be removed; and of the 586,489 yards of embankment at first required, 87,262 yet remain to be completed.

Fifteen miles of the Canal will be finished by the first of June next—leaving only a distance of one and a half miles to be finished in order to form an uninterrupted communication between Lakes Erie and Ontario by way of the Niagara and Welland Rivers.

This portion of the Canal (from Lake Ontario to the Welland) being so far advanced, and its speedy completion being no longer problematical, the Directors thought no farther delay should be allowed to intervene before the remaining section (from the Welland to Lake Erie) was commenced, and this appeared the more necessary when it was considered that the Canal can certainly answer its object but very imperfectly while this section remains unfinished, and that several months would be required to drain the great marsh previous to its being undertaken. The Report of Mr. Barrett, which contains all the information relative to this part of the line, will be found in the Appendix (B.) and the Board for the reasons which have been mentioned, concurred in the recommendation of their Engineer, advertised immediately for proposals, & placed it under contract to Messrs. Monson, Simpson & Co. on the 4th October, who are now employed on this part of the line, which may be worked to advantage in the winter season. On this part of the line the clearing has been nearly finished, much of the grubbing has been done, the ditches carried between three and four miles, and about 72,000 cubic yards of earth have been excavated.

During the past year the work has been conducted under the immediate superintendence of Mr. Alfred Barrett, principal Engineer, to whom the Company are much indebted for his industry, zeal and good management, in the laborious and responsible situation he has occupied.

The 13,400 acres of land granted to the Company by Government, has proved to be most fortunately situated, the line of the Canal running nearly through the centre of it.

Of the capital stock of the Welland Canal Company, consisting of 16,000 shares, and amounting to £200,000:—

	Shares.	£	s.
Individuals have subscribed....	6,893	86,162	10
Provincial Government of U. C.	4,000	50,000	0
Provincial Government of L. C.	2,000	25,000	0
Remaining unsubscribed.....	3,107	38,837	10
	16,000	200,000	0

There has been actually paid in and expended on the Canal:—

Eighty-one per cent on 8,893 shares held by the Government of Lower Canada and by individuals.....	£90,041	12	6
Whole amount by Government of Upper Canada.....	50,000	0	0
Amount of Loan from Provincial Government.....	25,000	0	0
	£165,041	12	6

The remaining available funds of the Company consist of

The donation from the British Government in consideration of the free passage of Government stores.....	£17,777	16	0
Nineteen per cent on 8,893 shares...	21,120	17	6
	£38,898	13	6

It will require to finish the Canal

From Lake Ontario to River Welland....	£40,000	0	0	
From Welland to the Grand River.....	50,000	0	0	
				90,000 0 0
Leaving this sum to be provided for.				£51,101 6 6
If the whole stock should be taken up				38,837 10 0
There would only remain to be provided.....				£12,263 16 6

The public advantages to be derived from this undertaking are daily developing themselves, not only by the rapid improvement of the country on its immediate borders, but by the spirit of enterprise and exertion it calls forth in the inhabitants of the country more remote, who appear desirous of availing themselves immediately of all the advantages the Canal is likely to afford, by improving the different streams leading into Lake Erie. The connexion of those Lakes by ship navigation will have a tendency of facilitating the improvement of the Grand River, the Thames, the Otter, and many other large and valuable streams taking their source in the interior of the country; and consequently will not only increase the present trade, but create new sources to a very great extent.

JOHN DUNN, *President.*
HENRY J. BOULTON,
JOHN B. ROBINSON,
COL. WELLS,
D'ARCY BOULTON,
GEORGE KEEFER,
JOHN CLARK,
} *Directors.*

WELLAND CANAL OFFICE,
St. Catharines, Dec. 31st, 1827.

APPENDIX.

(A.)

To the President and Directors of the Welland Canal Company.

I BEG LEAVE TO REPORT,

That on Section No. 1, of the Deep Cut, of the 21,116 cubic yards of excavation that remained Nov. 11th, 1826, only 7,479 yards now remain. The whole could easily have been completed this season; but it was thought more advisable that it should be delayed until a ditch was effected through the Deep Cut, when it may be done at far less expense. Near the head of this section has been erected a guard gate, to check the rise of water in the Welland River.

On sections No. 2, 3, 4, 5, & 6, (embracing the whole extent of the Deep Cut,) there were excavated previous to the commencement by Mr. Oliver Phelps—under S. Ward, & Co. 666,694 cubic yards, paid for as per contract, at an average price of 19 cents, $130,812 22. Under Mr. O. Phelps, 341,490 yards at 25 cents, 6 mills $88,271 04, Total yards excavated, 1,008,184 at an average price of 21 cents, 7 mills, making the sum of $219,083 26.

It may be proper to mention here that the greatest proportion of the work has been done this season through the deepest part of the cut. The two northerly sections, embracing a distance of 55 chains, originally averaged 51 feet: they now average only 14 feet; consequently there remains the least number of yards to remove from the deepest cutting; which shews that the work done has not been overrated. It was very late in the season before an efficient force was applied to this work, which has prolonged it beyond what was anticipated; consequently the greater part of another season will be required for its completion. No obstacles have appeared during this season's operations to impede the progress of excavation. The banks stand remarkably well, although they have been far more exposed than heretofore, both from their increased height, and the irregular manner in which the earth has been laid on them.—Measures are now taken to lay the spoil banks in such a measure as to turn all the water that falls on them to the rear, from whence it may easily be discharged into the Welland river, from the natural inclination of the land in that direction.

At the foot of this cut a draw-bridge has been erected over the canal at an elevation of 35 feet above the surface of the water. Three stone culverts have been built on sections No. 10 & 13, containing 649 perches of masonry.

Three waste weirs and flooms are constructing on the summit level between the Deep Cut and section No. 17: one at Mr. Hall Davis', on section No. 9; one at the Beaverdam, on section No. 14; and one at the head of section No. 17, above lock No. 1, for the purpose of discharging the surplus water in the canal, and passing off any additional quantity in the spring and fall floods, by the valley of the 10 mile creek. It will be necessary to cut a small ditch to lead the main branch of the Beaverdam Creek into its eastern branch, at the time of high water; by which we have the control of all the water on this summit, and can at pleasure either discharge it from the canal or lead it into it. Those waste weirs, instead of stopping the water from the original branches, as some persons now apprehend, will always afford an additional supply of water to those streams; at the same time they regulate any excess caused by floods or freshets, as formerly, and will not only be useful to the canal navigation, but highly beneficial to those possessing hydraulic advantages on any of these branches. The waste gate on section 9 will be placed 5 feet below bottom level, for the purpose of scouring out the Deep Cut or drawing off the water, if at any time it may be found necessary.

The embankment on Section No. 9 has settled since it was accepted, considerably, occasioned by its being composed of light soil and made in the driest part of the season, principally by Wheel barrows. 3,355 cubic yards of earth have been found necessary to raise it to its original height. All the other banks on this summit have been constructed with Teams and Carts: they appear well packed, and remain permanent.

The guard Lock at the Welland on this Section is 40 feet wide. There will be four Bridges on this level, which are now in progress, and have 40 feet span; so that Steam Boats of any dimensions now built on Lake Erie may reach the grand Reservoir at the mountain descent, which is of sufficient dimensions to contain any quantity of Lumber or any number of Vessels for a great length of time.

From Lock No. 1 to St. Catharines thirty two Locks are located in a distance of four miles and 72 chains—3 of which are finished, 12 average three quarters, 7 one half, and 8 one third; the remaining two are not laid, but the Timber is in readiness to place them early in the Spring. We have seven rock foundations in the line; the remainder, without exception, are bedded in a hard, tough, blue clay.—Most of the Contractors have met with serious difficulties in sinking those Pits, the excavation of which have invariably proved exceedingly hard. We have met with only 57,000 yards of rock excavation on Sections 19 and 20; which in a distance of the length of this Canal, with so great a descent on the face of a mountain, is a most remarkable circumstance.

From the head of Lock No. 1 we carry a ditch for surplus water into the level between Locks No. 4 and 5; from the head of No. 5 to between 17 and 18; from the head of No. 18 to the level between 27 and 28—affording an abundant supply of water for hydraulic erections to any extent without causing any perceptible current in the Canal. In addition to which Waste weirs are constructed at Locks 19 to 31, between which there are large and spacious natural Basins or Reservoirs formed by a Ravine through which the Canal descends.

From St. Catharines to the Harbor we have three Waste weirs and three Locks, which are finished, and the water has been let in for some time. In the upper two Waste Gates have been constructed during the last season of sufficient dimensions to control the surplus water. They have been thoroughly proved this Fall, together with the Locks, and answer in every respect the purposes for which they were intended. The middle Waste weir was carried off on the first rising of the water last Spring, owing to the embankment being frozen, and not

having time to settle. Two Lock Gates were also carried off, on first Lock, partly by accident and not being made sufficiently substantial.

The Piers at the entrance of the Harbor have not yet been entirely filled with stone: nevertheless they have resisted the force of the waves for two seasons; and no doubt can be entertained of their efficacy or durability. By the removal of 320 yards of earth from between the Piers nine feet of water will be afforded at all times; and if found desirable or necessary, twelve feet may be obtained by the use of a machine for scraping the bottom, which has proved highly beneficial.

The following Abstract will shew the number of yards excavated from the Deep Cut to Lake Ontario, together with the number required to be removed to finish the same:—

Work done on Deep Cut since commencement is as follows:—

Chopping and clearing.....	70 acres.
Grubbing.....	30 "
Excavation, (including Section 1 and Reserve,).....	1,115,871 cubic yards.

From Deep Cut to Lake Ontario.

Chopping and clearing,....	91¾ acres.
Grubbing,.....	50¾ "
Excavation, ...	818,751 cubic yards.
Embankment, ...	499,227 "
Puddling,.....	33,291 "

Making a total of 161¾ acres of chopping and clearing—80¾ acres of grubbing—1,934,622 yards of excavation—499,227 yards of embankment—and 33,261 yards of puddling.

ALFRED BARRETT,
Principal Engineer.

St. Catharines, January, 1st 1828.

APPENDIX.

(B.)

To the President and Directors of the Welland Canal Company.

Having finished the Survey of the Southern Section of the Welland Canal, I beg leave to submit the following Report:

No. 1. The table land has been levelled over from the forks of the Grand River to Grabel's Bay, on Lake Erie—distance five miles—average cutting 15 feet. This route presents but few difficulties. A canal and safe harbor may be constructed at an expense not exceeding £35,000.

No. 2. Northern route.—In consequence of the deep cutting on the line explored by Messrs. Clowes & Rykert, it was thought advisable to try for a more favorable one to the north. Messrs. Lapham and Gooding, assistant engineers, received instructions to make an examination from the forks of the River Welland up the valleys of Beser's and Kelley's creeks, crossing the north west arm of the Wainfleet Marsh to Broad Creek, near its entrance into the Grand River. This route, in making Lake Erie the summit, will cost £53,230. The whole distance is 11 miles and 65 chains, of which only 4 miles are in the marsh—average cutting varies from 8 to 10 and 15 feet.

No. 3. Middle route.—This is the one formerly traced out by Messrs. Clowes and Rykert, which has been carefully re-surveyed. Commencing at the forks of the Welland River, it passes up the valley of Mill's Creek, terminating in Broad Creek, at the same point with the above.—Whole distance 12 miles; 9 of which lies through the lower part of the upper marsh—average depth 8 to 15 feet—cost, as per estimate, £61,934 5s.

Several routes have also been examined with reference to a feeder from the Grand River, which may be brought either into No. 2 or 3, by raising the level 8 feet, placing two additional locks, constructing a dam across the Grand River, 17 miles above the junction of the canal with the same, 8 feet high, and placing a lock thereon. The estimated cost is £35,000—whole length of the feeder 17 miles. The difference of expense will not be material on either of the foregoing routes. But in making the Grand River the summit, the object of the marsh would in a great measure be defeated; the surface of water in the canal would be too near the level of the ground to admit of it.

The three routes, together with the feeder, stand thus:—

No. 1.—5 miles in length,—estimated cost		£35,000
No. 2.—11 miles 65 chains—	"	53,230
No. 3.—12 miles,.....	"	61,934

By bringing a feeder for either of the two last routes, the estimate will be only £35,000. They are nearly equal in length, and the cutting shallow; consequently the estimates do not vary materially.

In route No, 1, you will gain a distance of seven miles cutting, besides shortening the Canal 9½ miles, and partially draining the marsh; but will entirely lose the object of effecting a junction with the Grand River—as from 15 to 20 miles of a difficult Lake coast will intervene, rendering the navigation at all times hazardous. Besides, you approach so near point Abino, that danger may be apprehended from obstructions by ice from the Niagara River—reasons in my opinion fully sufficient to abandon the route.

In route No. 2, a saving of £8,704 5s. in the construction of the Canal will be effected; the marsh will not be drained, and not one mile of it will pass through the Company's land; the difference in the distance being only 15 chains, is of no material consequence. The feeder will likewise produce a saving on either route of £18,230. The objection to it is, in supporting or maintaining 19 miles of a feeder, two additional locks, and not draining the marsh; which in my opinion, besides the difficulty and obstruction of the navigation, is more than equivalent to the additional expense of a thorough cut.

Although route No. 3 is the most expensive, it has a decided preference, and will be the most advantageous one for the Board to adopt. It will be seen by a reference to the map, that the Company's lands lay on either side of it, throughout the township of Wainfleet; it passes through the lowest part of the marsh; will effecturlly drain the lands on its borders, and greatly enhance their value.

The connexion of the Grand River with the Welland by a thorough cut, will offer an important fea-

ture in the accomplishment of this Canal, by avoiding any ascent from Lake Erie through the peninsula, besides connecting a country bordering on the Grand River, the commodities of which, if transported by the Lake shore, (as they will be) principally in boats and rafts, would be attended with great risque; and it is a question whether in a few years it would not be equal to the additional expense of this route.

This section of the Canal being generally covered with water, and lying on so long a level, will require under the best of management, a long time to drain it so that a suitable number of men may be employed to finish it in a reasonable time. We have not been able to survey it this season before the present month; therefore no time should be lost in placing it under contract, in order to take advantage of the winter's operation; otherwise another entire season will be lost. There will be no difficulty in draining it; but as the work can only proceed from the two ends, it will be a slow operation.

I beg leave to call the attention of the Board to the following plan, on which this section may be completed for a much less sum, at the same time it comprises every advantage of the thorough cut, with the exception of a rise of five feet, and passing two additional locks.

The Grand River is a perfect level for 12 miles into the interior, at which distance the river is governed by the rise or fall of the lake; there are extensive marshes on either side, which are, from the above cause, alternately wet and dry, and can never be reclaimed without incurring an expense far beyond their value.

By damming this river near its mouth to the height of five feet, and placing in a lock, we avoid five feet of excavation from the bottom of the Canal for 10 miles; the saving of which will be as per the accompanying estimate. This plan may, however, be adopted at any time the ensuing year if thought advisable.

The course of the river may be diverted from its present channel, and the danger of filling up the harbour, as suggested by Captain Hall, removed; the marsh become unhealthy, by rendering the water stationary; and would be far more likely to *make* land from the deposite brought down the stream than in its present situation.

Should the Board think proper to adopt the measure of damming the river, and raising the level, as above proposed, there will be made a saving in excavation through the marsh of..... $130,320

On the other hand, the cost of the brush dam and ship lock through it will be.....	$10,230	
One additional lock.....	3,000	
To pay for damage done to lands, if any.....	4,000	
		17,230
Which deducted from the foregoing, leaves		$113,090

This cut may be lowered at any future period, during the winter season, and the dam remain or not, as may be thought most advisable.

The mouth of Grand River and Mohawk Bay have been examined. The estimated expense of the latter is £5,050; additional length of Canal—two miles—will cost £24,775; total £29,825. This bay, with the exception of the difficulty in approaching it from the Canal, is well calculated for a harbour: it has a sufficient depth of water across the bar, affords good anchorage, and is protected against the prevailing winds by a projection of high land.

I would, however, recommend the mouth of the Grand River, where a saving of expense will be made, in the aggregate, of £24,525. A safe harbour may be formed here, by the construction of two piers, the expense of which, embracing the towing path to Broad Creek, will be £5,600. There is no formidable difficulty in constructing this harbour, which will be as extensive as may be desired, affording moorings for any number of vessels.

Before closing my Report, I will venture to make a remark, which may be considered irrelevant to the subject; nevertheless it is of public importance. The Cranberry Marsh contains about 30,000 acres of land: it is enclosed by a small rim of land, elevated from two to three feet above its surface; has several small outlets, not sufficient, however, to drain it. By constructing the Canal through it, as proposed in route No. 3, a very valuable tract of land may be reclaimed, on part of which there is a heavy growth of ash, oak, and maple timber, the remainder is a thicket of small brush and open marsh: the top soil, from four to five and six feet, is a rich vegetable mould, intermixed occasionally with sand, resting on a bed of clay, which causes the water to remain on its surface for so great a length of time. This immense tract can be effectually drained by cutting a ditch through between lots No. 17 and 18, where the marsh is only one mile wide, and can be led into Mill Creek; then, by cutting a drain into Lyon's Creek, in Crowland, a few miles above the Deep Cut, leading into the Welland River, one mile from its mouth; again, at Savage's Mill and at Hooper's Creek, leading into Lake Erie. These outlets would effect the draining of the marsh, which in its present state is a public nuisance; but which, at a very moderate expense, would become as valuable land as any in America.

ALFRED BARRETT,
Principal Engineer.

St. Catharines, Sept. 1, 1827.

No. 6.

MINUTES OF THE BOARD OF DIRECTORS

FOR 1827.

At a Meeting of the Directors, held at Mr. Robinsons on Wednesday, January 4th 1827.

PRESENT:

The Hon. John H. Dunn, *President*,
" William Allan, *Vice President*.
John B. Robinson,
John Clark,
Henry J. Boulton,
William H. Merritt, and
George Keefer, Esquires. } *Directors.*

The Engineer's Estimate for the past month, amounting to £1696 11 3 was submitted to the Board, and on examination ordered to be paid.

Mr. Merritt having mentioned to the Board that he had consented to allow Mr. Adams the privilege of retaining by diking, any portion of the land surrendered to the Company, a discussion took place on the propriety of such permission, and it was considered by the Board that the award in each case having been formed upon a calculation of the value of the land to be surrendered, it is clearly understood by the Board that the former proprietors are to have no farther control over it under any circumstances, and with respect to Mr. Adams' case in particular, it is *Resolved*, by the Board, that the Engineer under the sanction of the Agent shall make an accurate Survey and description of such portion of his land as will be required for the purposes of the Canal.—That the boundaries shall be marked out with stakes and a stone monument—and a Deed corresponding with such description be tendered to Mr. Adams for his signature, the money being ready to be paid to him on its execution, and that in case of his declining, he must pursue whatever remedy he may select.

Application being made by Messrs. Bell, & Co., for an advance of £500—It was *Resolved*, that the sum be granted them, on their giving satisfactory security.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held in the Legislative Council Room on Thursday, January 18, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
" " William Allan, *Vice President.*
Henry J. Boulton, and
Wm. H. Merritt, Esquires. } *Directors.*
And Mr. Yates.

Whereas a few Landholders on the route of the Canal heretofore refused to leave the amount of compensation to be awarded them to Arbitration, at the time appointed by the Legislature—and whereas the expense of a second Arbitration would be considerable, if an Arbitrator were now to be named on behalf of each person interested as heretofore.—It is therefore *Resolved*, that the Company will name one Arbitrator if all the persons now unsettled with, will name another, to Arbitrate and award the compensation to be paid to the respective parties—these two in case of disagreement to name a third; but should the Landholders be unable to agree upon any individual, or refuse to do so, they will leave the matter to Arbitration in the manner provided by the Charter upon the Landholders paying the expense thereof.

The following Accounts were ordered to be paid —viz.

C. Fothergill,—Printing,.....£7 10.
W. L. Mackenzie,—do..... 9 10.

Resolved, That as the Instalment payable on the 29th inst., may possibly not be required, the advertisement for the same shall be discontinued.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held in the Legislative Council Room on Thursday, February 8th, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
" " Wm. Allan, *Vice President.*
John B. Robinson,
Henry J. Boulton, and
John Clark, Esquires. } *Directors.*

The Board taking into their further consideration a request made by Mr. Wood to the President, for the settlement of his claim, it was

Resolved, That in pursuance of the Resolution of the 18th January, Mr. McCormick be appointed as Arbitrator on behalf of the Company, to meet such other person as may be named by the parties, at such time as may be convenient to him, but should the whole of those persons decline the Arbitration in either manner named in those Resolutions, then the claims of such as shall agree may be considered and decided—Mr. Wood engaging that three persons will agree to his nomination of an Arbitrator, and Mr. Thomas Clark being agreed upon between the Board and Mr. Wood, as Umpire.

JOHN H. DUNN,
President.

At a Meeting of the Directors, held at Mr. Dunn's on Tuesday, 13th February 1827,

PRESENT:

The Hon. John Henry Dunn, *President.*
John B. Robinson,
Henry J. Boulton, and
Wm. H. Merritt, Esquires. } *Directors.*

Whereas it has been deemed (by the Board) expedient to petition the Legislature of Lower Canada to become Subscribers to the Capital Stock of the Company, and it being necessary that the Company's Agent should attend the presentation of the Petition for the purpose of affording such information as may be required.

It was *Resolved*, That W. H. Merritt, Esq., the Agent of the Company, do forthwith proceed to Quebec, and cause the Petitions of the President and Directors to the several branches of the Legislature of Lower Canada, of which he is the bearer, to be presented immediately after his arrival, and that he do use his best endeavours to procure the remainder of the stock of the Company, amounting to £60,000, yet unsubscribed, to be taken up either by the Provincial Government of Lower Canada, or private individuals.

Whereas, by the Act passed during the present Sessions of Parliament, authorizing the Provincial Parliament to become stockholders to the extent of £50,000, the amount of the capital stock remaining unsubscribed will be reduced to £60,000, which it is desirable should be immediately offered to the public.

It is *Resolved*, That our Agent, Wm. Hamilton Merritt, Esq., be authorized, in conjunction with J. B. Yates, Esq., of New York, to open books in that city, or elsewhere, for the subscription of the remaining number of shares.

And it is further *Resolved*, That, for the convenience of subscribers, no greater instalment than five per cent. shall be called for monthly, exclusive of the deposite of ten per cent. on subscription, to be paid into the hands of J. B. Yates & Co., in New York, who are hereby authorized to issue receipts for the same.

Resolved, That Mr. Merritt be advanced £125 for the expenses of his journey, to be accounted for on his return.

It having been represented to the Board, by Messrs. Beach, Ward & Co., that they are desirous of relinquishing their contract for the completion of the Deep Cut,

It is *Resolved*, That the Board will accept their relinquishment of their contract, so far as the same may be under sub-contracts, and that the Board will thereupon enter into fresh contracts for the completion of those portions, at the same price as Beach & Co. took them at. It is also *Resolved*, That if Messrs. Beach & Co. proceed to the completion of that part which they have kept in their own hands with vigour and despatch, the Board will take into consideration any equitable claim they may have for outfits or extra exertion on the completion of their contracts.

On a representation, from the Agent, that Mrs. Rykert is in indigent circumstances, and her husband, T. Rykert, being at present insane, *Ordered*, That she be paid the sum of £15, as awarded her, on taking her receipt in full for the same, specifying the description of land in the receipt.

At a meeting of the Board, held on Wednesday, March 6, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
" " William Allan, *Vice-President.*
John B. Robinson, and Henry J. Boulton, Esquires, } *Directors.*

The minutes from the 14th November to 13th February were read and approved.

Resolved, That the Hon. Peter Robinson be furnished with a copy of the two Welland Canal Acts passed last Session, 25 Reports of the Work, and a Power of Attorney to negociate a loan to the extent of £75,000 with the British Government, or other persons, and authorizing him to confer with Messrs. Bosanquet and others for the purpose of obtaining subscriptions to that amount—and a letter from the President to the Lords of the Treasury accompanying the application for the loan.

Read a letter from Messrs. Gates & Co., dated February 19, requesting that they might be allowed to pay up the arrears on 100 shares standing in the name of B. A. Goldschmidt by two payments, viz.:—one half on the 1st August, and the remainder on the 1st November;

When it was *Resolved*, That the Board, taking into their consideration the peculiar circumstances under which that stock was subscribed, and is now placed, will agree to their application, Messrs. Gates & Co. paying also interest from the time the instalments became due.

Read a note from Mr. Gerard, a Trustee on behalf of Messrs. M'Gillivray & Co., soliciting the sale of their stock forfeited for non-payment of the instalments might be deferred until an answer was received to a letter which had been written Mr. S. M'Gillivray, now in England, on the subject;

Whereupon it was *Resolved*, That Mr. Gerard be informed, that if the Trustees of Messrs. M'Gillivray will give their notes of hand in the same manner and at the same time as Messrs. Gates & Co., so as to secure the payment, the Board will consent to allow them the same indulgence.

Read Mr. Crook's letter, dated February 20, and *Resolved*, That there is not any thing contained in it which would authorize the Board in making a distinction between him and the other stockholders, whose stock had been forfeited and sold.

Resolved, That the President, referring to the Act of last Session, do write to Major Hillier, representing that the success of the Company in filling up the remainder of the stock, as well as the immediate operations of the Company, render it highly desirable that the amount of stock which the Government intends to hold should be actually subscribed without delay, and expressing the hope of the Company that the full amount authorized may be subscribed.

JOHN H. DUNN,
President.

At a meeting of the Board, held 24th March, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
" " William Allan, *Vice-President.*
John B. Robinson, and Henry J. Boulton, Esquires, } *Directors.*

Read Mr. Davis' letter, containing an application from Mr. Auldjo that he might be permitted to pay up the arrears of the stock, held by and to which it was resolved that he should be permitted to do so, and that Mr. Davis be informed accordingly.

JOHN H. DUNN,
President.

At a Meeting of the Board held on Saturday, March 31st, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
" William Allan, *Vice President.*
John B. Robinson, Henry J. Boulton, and W. H. Merritt, Esquires, } *Directors.*

Resolved, That the amount to be received from Lower Canada for the stock subscribed there, be drawn through the Agent at Quebec, in the mean time an application to be made to the Bank to know if they will allow the Company any premium on those drafts.

Read a letter from Messrs. Yates and McIntyre, of 16th inst., requesting that the balance due by them as agents might be drawn in three epual amounts, payable 1st June, July, and August. It was—

Resolved, That the Board will grant the accommodation which Messrs. Yates, & Co. solicit.

Resolved, That Mr. Lewis shall build the bridges which may be required by the Company, and be paid for them agreeable to the Engineer's estimate of the same.

The attention of the President and Directors having been called by the Agent to the subject of the Deep Cut, and to the necessity of coming to a decision upon such measures as may ensure its proceeding without obstruction.

The Board referred to their Resolution of the 13th February, to which they determined to adhere, and desired that the Agent shall request the Engineer as soon as it may be expedient to resume operations, to report what number of men should be placed without delay upon that part of the Canal, in order that it may proceed with proper expedition, and then to call upon Messrs. Hovey, & Co. to carry on their operations accordingly, in pursuance with their contract.

Mr. Barrett's account for salary for himself and assistant £187 0s. 4d., was ordered to be paid.

Levi Taylor's estimate, amounting to £55 5 10. was ordered to be paid.

The sum of £75 to be paid to James Butler for Robert Brown on account of his award on his giving a deed for the lands required by the Company.

Mr. Allan represented that from the frequent ill health of some members of his family he feared it might be exceedingly inconvenient to him to attend so often as might be proper at the meetings of the Board at St. Catharines during the ensuing season, and stated that he stated this much to the Board with a view to its being considered by the stockholders at the approaching election for directors, when two of the present Board must of necessity retire. It was Resolved, at Mr. Allan's request that the Agent do make the same known to the stockholders in order that they take it into their consideration on making their election.

JOHN H. DUNN,
President.

At a Meeting of the stockholders held at St. Catharines pursuant to advertisement, on Monday 2nd April, 1827, for the election of Directors for the ensuing year, the following gentlemen were duly elected:

The Honorable JOHN HENRY DUNN,
The Honorable COLONEL WELLS,
JOHN B. ROBINSON, Esquire,
HENRY J. BOULTON, Esquire,
D'ARCY BOULTON, JR. Esquire,
JOHN CLARK, Esquire, and
GEORGE KEEFER, Esquire.

At a Meeting of the Board, held at St. Catharines, April 11, 1827.

PRESENT:

The Hon. John H. Dunn,
The Hon. Colonel Wells,

John B. Robinson, Henry J. Boulton,
D'Arcy Boulton, John Clark, and
George Keefer, Esquires.

On motion of Col. Wells, seconded by Mr. D. Boulton, the Hon. John H. Dunn was unanimously elected President, and Henry J. Boulton, Esq., Vice-President.

Ordered, That Robert Diderick and Jacob Bowman, be paid their claims.

Read a letter from Pease & Co., requesting the Board would consider the frequent alterations made in their job while employed on section No. 26, 27, 28, 29, and 30, by which they sustained much loss and injury, and hoping they would make them such allowance on that account as in their judgment should appear just.

When it was

Ordered, That it should be referred to the Agent and Engineer, to report thereon.

Read a letter from Gooding & Co., requesting that the sum of £250 might be paid to them out of the monies reserved on their contracts.

Resolved, That the President be requested to endorse their note for £250, in order to enable them to obtain a discount for it at the Bank.

Read J. R. Tenbroeck's petition and statement requesting to be allowed 505 days labor on his contract section No. 34.

Ordered, That it be referred to the Agent and Engineer for their report thereon, and in the mean time that £50 be paid him.

Read a letter from Messrs. Yates & Co., of 27th March, inclosing one from Mr. Proctor, to them, of 21st March, and his mortgage on certain property in Montreal, as security for £2,500 in part of his debt to the Company.

Resolved, That a letter be written to MR. DAVIS at Montreal, requesting his information on the following points, viz:

1st. Whether the property is subject to any other incumbrances by judgment or mortgage besides the mortgage to Mr. Thompson.

2nd. What the value of the property is

3rd. If the Company should think it advisable whether this instrument is legally binding in Lower Canada, or what form is necessary to make it so.

Mr. Clowes' estimate for a former sum due to James Simpson, on section No. 8, amounting to £62, and Mr. Simpson having stated the sum of £53 4s. 11d., as being the amount due to him.

Ordered. That the latter sum be paid him.

JOHN H. DUNN,
President.

DEEP CUT, *Thursday, April 12th*, 1827.

PRESENT:

The Honorable John Henry Dunn, *President*,
Henry John Boulton, Esquire, *Vice President*,

The Honorable Col. Wells,
John B. Robinson,
D'Arcy Boulton, and
George Keefer, } Esquires, *Directors*.

No business being decided upon, the Board adjourned till Friday morning.

JOHN H. DUNN,
President.

DEEP CUT, *Friday, April 13th*, 1827.

PRESENT:

The Honorable John H. Dunn, *President*,
Henry J. Boulton, Esquire, *Vice President*.

John B. Robinson,
D'Arcy Boulton,
Hon. Colonel Wells, and
George Keefer, } Esquires, *Directors*.

Messrs. Ward and Hovey, presented themselves to the Board for the purpose of making some arrangement respecting their contract for the Deep Cut, and after discussing and considering the subject they said that they would relinquish their contract with the Company for that portion of the Canal, and also all their contract with the sub-contractors. The Board agreed they should be paid the full value of the work which they have performed on section No. 6, according to the estimate and survey to be made by Mr. Thomas, forthwith, and if when the whole of the Deep Cut is completed and finished it shall appear that the whole of the Deep Cut has cost more or less than Mr. Thomas' estimate, it is agreed between the Company and Messrs. Ward & Co., that the difference shall be received or paid respectively by the parties, and at the request of Messrs. Ward & Co., the Directors consented to take the stock which Messrs. Ward & Co., had subscribed at the full amount to which they had paid upon it in the settlement of their account with the Company.

Messrs. Ward & Co. having agreed to the foregoing terms rather than attempt to proceed under their present Contract which they altogether declined, agreements were drawn up and executed accordingly, and at the same time it was stated by the Company that they did not consider this arrangement as interfering at all with that part of the Resolution of the 13th February, which expresses the readiness of the Board to consider any just claim which may be urged by them as soon as the work shall be completed, but that at present no such consideration can be entertained.

Mr. Hartwell, one of the sub-Contractors, was called in and informed that the Board intended to take off the hands of Messrs. Ward & Hovey their several Contracts, with the sub-Contractors, and he was asked whether he had any remark to make as to the effect of such an arrangement on his arrangements.

He said he had been paid 18 cents per yard on the whole Job, which was all Ward & Co. had received of the Company—that he wished to have them give up his Notes to the Company which had been passed for the 10 per cent stipulated to be retained, and that he had nothing further to desire.

Mr. Rowley was also called in and informed in like manner; he said that Ward & Co. had retained in their hands a sum of about £375 on account of the 10 per cent stipulated to be retained—they had given no Notes to Ward & Co. and required nothing more than to be paid in the same proportion as Ward & Co. received from the Company.

Mr. Hathaway was called in and informed in like manner.—He said he should have no claim upon the Company for the past—he had given his Notes for the 10 per cent which he wished should be held by the Company and not remain with Ward &c.

Mr. Newlove was told the same—he had no remark to make and no claim upon the Company for the past, and will have nothing to look to the Company for—he has received from Ward & Co. all he has any claim to, and has given them no Notes.

Messrs. Ward & Co. being asked if they were ready to give up the Notes of the sub-Contractors which they held as a reservation for the fulfilment of their sub-Contracts, stated that they had not got them with them at the present moment, but would give them to the Board in order that they might be surrendered to the parties on the completion of their engagements, and at the same time requested that on their so doing, the Board would give up their Notes which they held in like manner, which was agreed to.

The Board having taken into consideration a suggestion from Mr. McTaggart, Civil Engineer, from the Rideau Canal, communicated to the Agent as to the practicability of washing out a fair portion of the earth from the Deep Cut by means of pumping, and the difficulties experienced in excavating the earth, from the increased depth being magnified by the Contractor.—It is *Resolved*, in concurrence with the opinion of the Engineer in charge of the work, that he shall immediately lay out a ditch throughout the Deep Cut, of suitable dimensions to admit sufficient water to try the experiment of thus washing out a portion of the earth by means of a current of water which they are satisfied will at all events afford a sufficient channel for Scows or Boats, for the purpose of removing the earth at a much cheaper rate than in the manner now pursued in Carriages—and the Agent is desired to direct the different Contractors to apply the whole force of the Deep Cut on the said ditch, or let it out to other Contractors at the estimate of the Engineer with a view to its accomplishment in as short a time as possible.

Messrs. Ward & Hovey were then called in, and the Board proposed to them that if they were desirous to continue their employment on the Canal they might proceed on their Section No 6, under the direction of the Engineer—that they would probably be required to proceed in a manner different from the original design, and that the Board would pay them upon a monthly estimate of the work done, to be made by the Engineer, without reference to previous Contracts, and the Board also acquainted them that to enable them to commence their work more con-

veniently, they would make them an advance of £1250 upon their Note—to all which Messrs. Ward & Hovey perfectly agreed.

Mr. Hartwell was called in and informed that the Company being now in possession of his Contract made with Messrs. Ward & Co., wish him to understand that they are about to alter their plan of operations on the Deep Cut, which they are desirous should be prosecuted with all possible expedition, which will cause a material deviation from the original design, and beg to know whether he is willing to proceed in the manner stated, under the direction of the Engineer, to be paid monthly, according to his Estimate, to which he perfectly agreed, and the Board in order to enable him to commence his operations with spirit and activity, will agree to make him an advance of £125.

Mr. Rowley was called in, to whom the same statement was made to which he agreed, and the Board consented to make him an advance of £250.

Mr. Hathaway was called in and informed to the same effect, in which he concurred, and the Board directed him an advance of £500—one half by a draft on New York at 60 days sight, and the President was requested to endorse his note to enable him to obtain a discount at the bank for the other.

Mr. Newlove was called in, and the same communication was made to him, to which he agreed, and the Board directed an advance of £100 to be made him.

Expunged 2d September, 1835. *Resolved,* That the Office of the Company be removed to St. Catharines, and that Mr. James Black be appointed Resident Secretary, at a salary of £200 per annum.

Expunged 2d September, 1835. *Resolved,* That the salary of the Agent, W. H. Merritt, Esq., be increased to £400 per annum, commencing from 1st January last.

Resolved, That an office be built at St. Catharines for the Agent, Secretary, and Engineers, by contract, Mr. Merritt agreeing to pay the Company for the same at any time they may choose to relinquish it.

JOHN H. DUNN,
President.

At a meeting of the Board, held on Thursday, May 3, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
Colonel Wells.
George Keefer, and
John Clark, Esquires, } *Directors.*

The minutes of the last meeting were read and confirmed.

Mr. John Gould presented an application for damage sustained in consequence of timber deposited on his land, destroying his fences, &c., which was referred to the Agent for enquiry and examination, and to report at the next meeting.

Deep Cut, *Friday, May* 4, 1827.

Resolved, That as Mr. Street was employed as an Arbitrator on the part of the Company, and omitted, that he now be paid.

Resolved, That a further advance of £117 10s. be made to Messrs. M'Neilledge & Co. for the purchase of pork.

Resolved, That the President be requested to endorse the notes of those contractors who may require advances to enable them to obtain a discount at the Bank.

At a meeting of the Board, held at York on Monday, May 7, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esquire, *Vice-President.*
J. B. Robinson, and
D'Arcy Boulton, Esquires, } *Directors.*

Mr. Geo. Adams attended respecting his claim for compensation, and requested to be permitted to reclaim a certain portion of the land to be occupied by the Company.

Resolved to adhere to the Resolutions of the 4th January.

Resolved, That the sums of £150 and £240, being the half yearly interest due on loans from Government, be paid. Checks were signed accordingly.

At a meeting of the Board, held at York on Mon day, May 21, 1827.

PRESENT:

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esquire, *Vice-President.*
The Hon. Colonel Wells,
J. B. Robinson, and
D'Arcy Boulton, Esquires, } *Directors.*

Read a letter from Mr. Phelps, proposing to excavate the remaining portion of the Deep Cut by machinery of his own invention at 27 cents per cubic yard;

When the Board determined that, in order to form a correct opinion with regard to the practicability of the plan proposed, it will be necessary for them to inspect its operation; and for this purpose, it was agreed that they would hold a meeting at the Deep Cut on Friday next, the 25th instant, where they could also receive from the Agent and Engineer their full report upon the subject.

Ordered, That the Seal of the Company be affixed to a Power of Attorney, authorizing Mr. Walker, the Company's Agent at Quebec, to receive the amount payable on the stock outstanding in Lower Canada.

Ordered, That Mr. Walker be requested to have hand-bills printed and circulated at Quebec, more particularly to the emigrants there, on landing, stating that any number of persons will obtain employment and good wages on the Welland Canal.

May 26, 1827.

At a meeting of the Board, held this day at the Deep Cut.

PRESENT :

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esquire, *Vice-President.*
John B. Robinson, and D'Arcy Boulton, } Esquires.
The Hon. Col. Wells.
George Keefer, and John Clark, Esquires, } *Directors.*

The minutes were read and confirmed.

In pursuance of the Resolution of the 21st instant, the Directors assembled at the Deep Cut and inspected the whole line thereof and also the various machines of the contractors and of Mr. Phelps, for the more expeditiously completing the excavation, and having required each contractor to deliver in proposals of the terms upon which he or they would complete such section or portion of section on which they were severally engaged, they delivered their proposals accordingly, viz.

Sylvester R. Hathaway—the remainder of his job, the full width 40 cents, and the ditch only 60 cents per square yard.

Martindale and Donaldson—the ditch to the tow path 1s. 10½d., or the whole width 1s. 6d., per square yard to the bottom level, water indemnified.

A. Rowley—the ditch for 50 cts.,—also to finish the 52 rods on which he is engaged for 36 cts. per cubic yard.

Hartwell and Son—The Ditch through their section, or more, down to towing path at 37½ cts. per cubic yard including roads, or the whole width 32 cts. per cubic yard including roads.

Oliver Phelps—The whole remainder of the Deep Cut at 25 cts. with an allowance of 2 cts. per cubic yard for machinery.

When it was

Resolved, To accept of Mr. Phelps proposal, but the Board being desirous of doing justice to the contractors and protect their interests and property in the concern, it was proposed to offer them the same terms for that portion of the work on which they were engaged under the direction of Mr. Phelps—upon which Mr. P., offered to unite with any of the contractors and give them a proportion of the profit equal to the strength they might employ, or to purchase their teams, shanties, provisions, machinery, &c., or furthermore to allow each contractor at the rate of $1000 per annum for his own services as superintendant—18s., York currency per day for each horse team, waggon, and driver found—15s., for each yoke of oxen, cart and driver—12s., per week for common Board, and $2 for overseers, and a reasonable compensation for other service performed by oxen at plough or otherwise, and moreover, if any one chooses to use any other machinery except such as Mr. Phelps shall erect whereby a saving may be made, that person shall be entitled to and receive all the advantages that may result therefrom, (vide Mr. Phelps' agreement.)

The several contractors were then called in and being referred to Mr. Phelps, they entered into engagements with him solely, except that they expected the Company would guarantee them for any amount due to them from Mr. Phelps, who agreed that such sum should be retained as might meet their several claims.

An agreement was then executed by Mr. Phelps to complete the above work according to the said terms in 6 months from this day.

Resolved, That the Hon. J. B. Macaulay be requested to act as arbitrator on behalf of the Company to award damages to Mr. Wood and others—and that he be written to accordingly.

Mr. H. J. Boulton presented an account of his expenses to England amounting to £310 19s. 9d., C'y, when it was referred to the minutes of the 20th September, 1825, wherein a sum not exceeding £300 sterling was granted for the said mission.

Resolved, That the account be paid.

Mr. Hill submitted a claim he had upon Hovey and Ward.

Rrsolved, That Hovey and Ward be required to pay Hill, in case the amount withheld from him is not retained by the Company from them and that $682 be withheld until the same is discharged.

Mr. Gibbs submitted a claim to the Board—referred to Engineer.

A claim was submitted by J. B. Clench, Chairman of the Niagara Quarter Sessions, for £5 2s. 6d, on account of Roswell O'Brien.

Which was rejected.

At a Meeting of the Board, held at York, on Saturday, June 9th, 1827.

PRESENT :

The Honorable John H. Dunn, *President,*
Henry J Boulton, Esquire, *Vice President.*
John B. Robinson, D'Arcy Boulton, and George Keefer, } Esquires, *Directors.*

The minutes of the last meeting were read and confirmed.

Read a letter from Mr. Thomas, Principal Engineer, resigning his engagement with the Company.

Resolved, That Mr. Thomas' resignation be accepted.

Messrs. Hovey and Ward attended the Board respecting their contract on the Deep Cut, section No. 6, upon which the minutes of 12th April were referred to and read, wherein it was agreed the work they performed upon the said section should be paid for according to the estimate of Mr. Thomas, the Principal Engineer, which estimate was now presented to the Board, viz: on Section 6, 27 cts. per cubic yard for work done during last season.

Sec. 35—	11704	yds, embanked by Osborne	10½ cts.
	12824	" " "	15 "
	12338	" Hovey & Ward,	12½ "
	6769	" n'r float'g bridge, Osborne,	16 "
	5323	" sand bank, Hovey & Co.	16 "

Resolved, That the Secretary do make out a statement of the work performed by Hovey & Ward, upon Section No. 6, during last year, and transmit it, together with their several contracts and accounts with the Company, to the President.

Resolved, That the drafts drawn by O. Phelps on the Company in favor of Hovey and Ward, S. R. Hathaway, &c., for cattle and other property purchased of them be endorsed by the President, viz.,—

To Smith, Ward & Co. @ 30 days, (dated 7th June,)			£500
"	90	"	500
"	5 months,	"	500
To S. R. Hathaway,	30 days,	"	500
"	90 "	"	500
"	5 months,	"	500

Resolved, That security be given by Mr. Phelps for the above, and also for $7000 agreed to be advanced to him.

Resolved, That Hovey & Ward be paid for the shanties, smith's shop, and other buildings, according to a valuation to be appraised by two persons.

Resolved, That Hovey & Ward be paid $50 for a machine which they erected at the tunnel in 1825.

Resolved, That Mr. Hathaway be paid the amount of duties which he has paid on account of the Company upon the collector's receipts being produced.

Resolved, That the President be authorised to settle the advances made by the Bank of Upper Canada from the amount to be received for stock purchased by the Lower Provincial Government, being 73 per cent on the same.

Resolved, That Mr. Merritt's accounts for last winter be passed and carried to his credit, amounting to £133 19s. 5d., and that an advance be made to him of £250 on account of his mill property.

Resolved, That notices be printed and circulated to protect Catholics from ill usage by the laborers on the canal.

A letter was read from Mr. Monson, engaging to erect a mill at St. Catharines, provided the Company will give him the mill seat—which was rejected.

Resolved, That Mr. Thomas be paid his salary and expenses as per account delivered, amounting to £105 4s. 10d.

Read a letter from Mr. Walker, the Company's Agent at Quebec, stating that he had received the subscription from the Government of Lower Canada, amounting to £18,250, being 83 per cent on the stock subscribed by the Legislature of Lower Canada, and that ½ per cent was charged by the agent for transacting and receiving the money and paying the same to the Montreal Bank to the credit of the Bank of Upper Canada—which was agreed to.

Read a letter from Mr. Davis, the Company's Agent at Montreal, transmitting a legal opinion on the security of property proposed to be given the Company by Mr. Proctor, late agent at New York, for a balance due by him for instalments collected on account of the Company, which was ordered to be transmitted to Messrs. Yates & McIntyre for their information and guidance, and to urge those gentlemen to use every possible means to recover the money, or to take such steps as may appear most judicious for the benefit and seeurity of the Company.

Resolved, That the Bank be paid £100 on account of J. TenBroeck, that amount having been charged to him in last estimate.

At a Meeting of the Board held at York, on Friday June 15. 1827.

PRESENT:

The Hon. John H. Dunn, *President,*
Henry J. Boulton, Esqr., *Vice President,*
John B. Robinson, and
D'Arcy Boulton, Junr. Esqrs., } *Directors.*

Messrs. S. Ward & Hovey having relinquished all their contracts on the Canal, submitted certain papers to the Board containing various items for the final settlement of their account, which not appearing to be sufficient for a full and satisfactory arrangement with those persons, it was—

Resolved, That the Board cannot come to a decision without having before them the books and accounts of the Company and a reference on them to the agent and officers of the Company, and therefore the matter must remain over until the next meeting of the Directors at St. Catharines, on Thusday July 5th.

It appearing that certain apparatus would be necessary for carrying on the work at the harbor, and that it could be obtained from the dock yard at Kingston on a suitable application.

Resolved, That the President be requested to make that application, and that Mr. Oates be sent for the purpose of selecting and bringing such Tackle as may be required.

Resolved, That Colonel Wells and Mr. D. Boulton be requested to go over to St. Catharines previous to the next Meeting, for the purpose of auditing the Accounts, &c.

6th July, 1827.

At a Meeting of the Board, held at St. Catharines

PRESENT:

The Hon. John H. Dunn, *President.*
H. J. Boulton, Esquire, *Vice President.*
John B. Robinson,
D'Arcy Boulton,
Colonel Wells, and
George Keefer, Esquires. } *Directors.*

The minutes were read and confirmed.

Read a Letter from Mr. John Clark, tendering his resignation as a Director.

Resolved, That Mr. Clark be written to, acknowledging the receipt thereof, and agreeing to dispense with his services so long as his present engagement with Mr. Phelps continues.

Read a Letter from the Honorable Captain Byng respecting application made to him for Tackle wanted at the Harbor.

Resolxed, That a Letter be written to Captain Byng acknowledging receipt of Tackle &c., and if the Contractors do not think proper to take the Rope, that it will be returned forthwith.

The award signed Thomas Clark and Alexander Stewart, in the case of Samuel Wood, declaring that the Company shall pay to the said Samuel Wood the sum of £254, in full for the meadows and other land taken, and to be overflowed by the said Company, estimated altogether at 8 acres, being taken into consideration,

Resolved, That inasmuch as the said award does not specify the price per acre, and as no particular quantity has yet been determined upon by the Company as necessary for the purpose of the Canal, and the particular price of the land not specified, the Board consider the said award wholly uncertain and inconclusive, and therefore illegal, and consequently do not feel themselves justified in acquiescing therein, more especially as they cannot in justice to others, be inattentive to the fact that the lands required by the Company of an equally good quality, and of a similar description, adjacent to the lands of the said Samuel Wood, was valued at the former Arbitration held at St. Catharines, in August last, at less than one third the price now fixed upon, and at which Arbitration the said T. Clark was present and concurred—and in some instances very similar the Arbitrators (of whom Mr. Clark was one,) declared the advantages to be derived by the parties, from the Canal passing through their premises, more than equivalent.

Resolved, That Mr. Wood be furnished with a copy of the above.

Resolved, That the award of P. Shaver and Hannah Secord be confirmed.

Resolved, That Jarai Rowley be paid £250, and W. Hill £170, as the amount of their claims upon Hovey & Ward, provided they (Hovey and Ward) agree to the proposal to be submitted to them.

Resolved, That Hovey and Ward be allowed £25 for a Scow, &c. at Harbor.

Resolved, That the interest due from Hovey & Ward be remitted, provided they agree to the final settlement of their concern with the Company.

Messrs. Hovey & Ward attended the Board, at which time J. Rowley submitted a claim upon them of £452 5, and Mr. Hill, another Sub-Contractor, of £170.

The Board having agreed to take back the Stock of the Company held by Messrs. Beach, Hovey, & Ward, the two latter preferred their respective Shares, amounting to £1425, and £712 10, which is endorsed on their Bond of £3000, and placed to their credit, as will also be that of E. Beach, immediately the tranfer is made.—Messrs. Hovey & Ward then retired, after having had the several accounts exhibited to them, and acknowledged the correctness of the general statement, shewing a balance in their favor, of £399 9 5, and after discussing all their transactions and claims, and the responsibility which the Board had assumed with respect to some of the Sub-Contractors—it was proposed to them that the settlement should be made as follows:—

Balance in their favour, as per general account	£399	9	5	
Interest on their Bond, which, if a settlement on this principle is acceded to, will be relinquished	195	0	0	
Balance paid on account of duties paid, after deducting Nelles' note for £27 12s. 6d	6	7	2	
Deduct amount withheld from Rowley*	£250	0	0	
Deduct amount overpaid on Hill's job	170	0	0	
Deduct draft in favour of Osborne	156	19	0	
				576 19 10
Causing a balance due to Hovey & Ward				£23 16 9

Which the Board will pay them.

* Rowley's claims £452 5s., as short paid, according to the estimate of 18 cents—but the Board only exact from Hovey & Co. £250.

Messrs. Hovey and Ward declined accepting the above settlement.

Mr. Phelps applied for a further advance upon his contract at the Deep Cut; but it being agreed that he should receive the amount of his estimate twice during the month, such further advance was not required, except £500, which was to make up the amount of £5,500, for which he has given security.

The Directors particularly called the attention of Mr. Phelps and the Engineer to the state of the locks, and urged the necessity of a more strict regard thereto, and that they will not consider Mr. Phelps in the slightest degree relieved from his responsibility in that respect from the circumstances of his recent contract.

A petition was presented by Luke Carrell, praying for aid towards digging a well, in consequence of his spring being destroyed by the Canal.

The Board granted £10.

Adam and Benjamin Gould presented an application for payment of damage and expense in removing fences, &c.

The Board granted £5.

John Gould claimed £10 for damage in wheat field.

The Board think no occasion could exist for doing more damage than would be amply compensated by £2 10s.; and that if any wanton or unnecessary damage was done, it should be made good by the person who did it.

The Board granted £2 10s.

Mr. Lapham's Report of the Grand River Route was presented, with account of expenses.

Resolved, That progress on the Wainfleet Marsh be made forthwith.

Mr. Merritt having paid John Donaldson a draft, dated 23d June, at 90 days, for £76 2s. 6d.—that is £75 for a machine erected at the Deep Cut, and £1 2s. 6d. interest—*Resolved*, That Mr. O. Phelps defray one moiety, and the Company the other.

Mr. Oates attended the Board respecting the inefficiency of the present mode of sinking the piers, &c. He was directed by the Board, in the presence of the Agents and Engineers, to see that no insufficient ties or other timbers are put in, and to give the contractors notice that nothing will be paid for work done contrary to the specification. It was further represented that the last pier sunk had been twice washed down, and was now in an insecure state, the upper timber not being united with the lower, whereupon it was directed that the Engineer and

Capt. Oates do make a particular inspection of that part of the work, and the payment of the estimate be withheld till the sufficiency thereof be ascertained by them.

Resolved, That an advance be made to Bell & Co., on Sections 15, 16, and 20, according to the estimate of Messrs. Thomas & Barrett, the Engineers, to commence from 1st April last past, and that a further allowance on Section No. 11 be made, for bottom cutting, according to the estimate of Mr. Barrett, hereafter.

Resolved, That Mr. Merritt do prosecute S. R. Hathaway on the part of the Company.

Resolved, That a spirit level be purchased for the use of the Engineers, of Mr. Hawks, Troy.

Resolved, That Mr. Merritt be paid for his land, &c., as per award, £600, and £30 for interest, by a draft upon Messrs. Yates & M'Intyre for £630, at 60 days.

Mr. Samuel Swaizy offers to dispose of his farm, consisting of 100 acres of land, house, barn, orchard, &c., for the sum of £375, rather than accept of the amount of the award, £62 10s. As Mr. Hall Davis will take all the land on the west side of the Canal, supposed to be about 30 acres, at £3 2s. 6d. per acre, and as there is likewise a probability of saving a bridge on the same,

Resolved, That the farm be purchased according-

The estimate for June, amounting to £7,460 8s. 7d., was approved, and a draft given also for contingencies £40 11s. 3d., and for interest account with Bank of Upper Canada, £122 18s. 5d.

AUGUST 9, 1827.

At a meeting of the Board, held at St. Catharines.

PRESENT:

The Hon. John H. Dunn, *President.*
The Hon. Colonel Wells.
D'Arcy Boulton, and
George Keefer, Esquires, } *Directors.*

The minutes were read and confirmed.

The estimates were approved and ordered to be paid, amounting to £10,179 10s. 5d.

Mr. Hill applied to the Board respecting his claim upon Hovey & Ward—Mr. S. Ward attended in reply, when it was mutually agreed between the parties to leave their respective acts and differences to the decision of an Engineer, to be determined by their original contract, which decision shall be final, and the balance (if any, is awarded against Hovey & Ward) to be paid to Hill out of the monies due to Hovey & Ward, now in the hands of the Welland Canal Company, as per Resolution of July 6, 1827.

A resolution having passed the Board authorising the Agent to employ a person to dig a well for Luke Carroll, in conformity to the decision of the arbitrators in August 1826, or to pay him £10 in lieu thereof, but Mr. Merritt not being able to procure a person to undertake it for that sum, and Carroll having refused to accept it,

Resolved, That he be paid £12 10s., which sum he will accept.

Elizabeth Ball presented a claim of £9 for injury sustained by covering 6 acres of land with timber.—Rejected.

The Board not feeling inclined to go to the expense of removing the Grist Mill formerly belonging to W. H. Merritt, Esq., at this time, and considering its being put into immediate operation would be beneficial;

Resolved, That Mr. Merritt retain it in his possession, on the same terms as the saw mill, viz:—By advancing the capital to put it in operation he is to have the use of it till the Company may consider it an object to take it to themselves, in which case they agree to pay the amount of his outlay or expenditure in the repairs.

August 10, 1827.

At a Board of Directors held at the Deep Cut,

PRESENT:

The Hon. John H. Dunn, *President*,
The Hon. Colonel Wells, and
George Keefer, Esquire, } *Directors.*

Mr. O. Phelps stated to the Board that from the estimate taken on the commencement of his work he thinks 25,000 yards of earth have not been estimated to him in consequence of the projection of the banks where roads were left, and Mr. Barrett the Engineer being of opinion that nearly 20,000 yards may have remained in, which being retained will be a serious loss to the contractor.

Resolved, That the Board deem it expedient, and for the benefit of the work, to make Mr. Keefer an advance of £1,250, which he thinks an ample allowance, and which he conceives will prevent the necessity of calling again on the Company during the month.

September 7th, 1827.

PRESENT:

H. J. Boulton, Esquire, *Vice President*,
The Hon. Colonel Wells,
D'Arcy Boulton, and
George Keefer, Esquires, } *Directors.*

The minutes were read and confirmed.

The estimate for Aug. amounting to £10477 3s. 4d. ordered to be paid, but subject to queries to be answered next Board.

The contingent account, viz.

Cordage had of H. M. Dock Yard, Kingston,	£46 11 4
Sundries,	99 6 7

Ordered to be paid

A Letter was read frem George Davies, dated Montreal, 9th August 1827, with his Account, stating the Balance in his hands to be £515 15.

Resolved, That the Secretary write to Mr. G. Davies, requiring him to pay the said balance into the

Bank of Montreal, to the Account of the Bank of Upper Canada.

Read a Letter from O. Phelps, respecting a grant of water for a Distillery, &c.

Resolved, That the above be agreed to—viz. that a Deed be granted of as much water as will pass through one of the Cast Iron paddle gates, which is 3 feet by 2 feet 6, for the purpose of working a Distillery, with one run of Stones for chopping grain, on which condition O. Phelps agrees to grant a Deed to the Company of the 10 or 12 acres of land occupied by the Canal across his premises, and also an acre of land at each of the five Locks, if wanted by the Company for hydraulic purposes.

Another Letter was read from Mr. Phelps requesting a delay of one month before he commences paying off his monthly payment of one sixth—which was granted.

Read a Letter from Wm. Hepburn & Henry Hancock, requesting employ as Lock Keepers, &c. at the Harbor.

As no such appointment was required at present, the petition was rejected.

An application having been made for the grant of a mill seat at St. Catharines, the same was taken into consideration, when it was resolved to pospone any decision thereon till a meeting of the Board be held at York on the subject.

Mr. Job Northrup also made an application for a mill seat upon his land at lock No. 2.

Resolved, That a lease be granted to Mr. Northrup for the term of ten years for the said mill seat and the land adjoining thereto not exceeding —— acres, at the annual rent of £25 upon his executing a deed to the Company of the land necessary for the said mill seat, including those contained in the award of arbitration, and for a mill race and road leading to said mill from the high road on the hill, to be laid out by the Company's Engineer.—The rent to commence 1st January, 1829, and at the expiration of said term of 10 years, his erections on said premises to be taken by the Company at a valuation.

N. Pauling made a similar application to erect a saw mill at harbor, which was granted upon the same terms as above.—The rent to commence 1st July, 1828.

The Engineers having completed the survey of of land between Chippawa and Grand River, and made an estimate thereon—and it appearing desirable to have the same commenced as soon as possible.

Resolved, That notices be immediately printed and circulated to receive sealed proposals on or before Thursday the 4th of October, for excavating any part of the Black Ash Swamp, (or Cranberry Marsh, as usually called) from the River Welland to the Grand River, and that it be advertised in the York, Gore, St. Catharines, Lockport, Buffalo, Rochester, and Albany papers.

Resolved, That the Company's Agent be empowered to negociate for the purchase of Misener's mills and the Reserves annexed, and if he completes the same, to throw open the dam immediately.

4th October, 1827.

At a meeting of the Board held at St. Catharines

PRESENT:

H. J. Boulton, *Vice President.*
J. B. Robinson, and
George Keefer, Esquires. } *Directors.*

The minutes were read and confirmed.

The queries in last estimate were satisfactorily explained.

The estimate for September, amounting to £8583 9 7, and contingent account to £11 0 6, were approved and ordered to be paid.

Read a Letter from Mr. G. Davies, stating that he had paid into the Montreal Bank £150 to the Company's credit in the Bank of Upper Canada, the balance in his hands being required to pay for Iron ordered by Mr. Phelps.

The Oats remaining at York ordered to be sold.

A Letter was read from John Misener requiring $2500 for the Glebe Land and Mill in his possession, in answer to an application by Mr. Merritt for the purchase thereof, as per minute of last Board—which was rejected, and it was

Resolved, That an application be made to prevent a renewal of his lease, unless he agrees to an equitable compensation, and that Mr. Heward be written to on the subject.

The property is not supposed to be worth more than £150 or £175.

Jaira Rowley attended the Board respecting a claim he has upon Smith Ward & Co. for work performed at the Deep Cut—the Board having understood at the time of their arrangement with Ward & Co. that they had paid the Sub-Contractors the full amount of 18 c. per yard on the sum they themselves had received from the Company, intimated to Mr. Rowley the amount due from Ward & Co. should be paid—Messrs. Ward & Co. now refusing to make up the said amount.

Resolved, That the sum of £250 be guaranteed to J. Rowley as soon as he gets down his Job to admit of Scows, the same being retained from Ward & Co. for that purpose.

Resolved, That £75 7 be paid to D. W. Smith, Agent to James Simpson, on account of Ward & Co.

The Board taking into consideration the very pressing and urgent necessities of S. Ward & Co., as stated by them, and referring to a former resolution holding out to them an expectation of some future gratuity on account of their early exertion at the commencement of the Deep Cut, it was

Resolved, That should the Directors now absent concur in the opinion of the present Board, the sum of £250 be advanced to Messrs. Ward & Co., for their immediate relief, without reference to the accounts yet unsettled, to be deducted from whatever sum it may be beemed proper to allow Ward & Co. on the final arrangement of their concern with the Company.

It being represented to the Board that it was requisite to build a stone wall for the double purpose of protecting the Culvert on Section 13 and carrying

all the surplus water from the Canal, or cutting a ditch between Kelley's and Wilkinson's.

Resolved, That Mr. Barrett do make out a written statement of his opinion on the subject as soon as possible for the Board.

Resolved, That a ditch be cut from the head of Lock No. 1, to enable the surplus water on the summit level to be discharged down the ten mile Creek, or to lead it again into the Canal at the foot of Lock No. 4.

Resolved, That the said ditch be continued from the head of Lock No. 5 to below Shaver's barn, between Locks 17 and 18, to carry round the surplus water, save building of Waste weirs, obtain stuff for puddling on Section 20, gain an increase of land, and give the Company as many hydraulic situations as may be necessary.

Resolved, That the same be continued from the head of No. 18 to Soper's valley in rear of Mr. Phelps' house and barn, and that Mr. Phelps do perform the job on the same terms as the adjoining one is done at.

Note.—The four preceding Resolutions were suspended for this season.

Resolved, That the three Waste weirs advertised by the Engineer to be erected at Mr. Keefer's, Marlett's, and H. Davis—the two last with flumes to drain off the Deep Cut & upper level if necessary & be approved.

In consequence of the wet weather in the early part of the season, as well as meeting with a Spring in the bottom of the Lock pit at the commencement of the Deep Cut, it was found impracticable to get down the Lock this season, and Mr. Phelps having suggested the propriety of removing it to the other end of the Deep Cut.

Resolved, That the operation thereon be discontinued and preparation be made for Boating

Mr. Yates having submitted some observations to the Board respecting the Marsh and Mill Seats,

Resolved, That the consideration thereof be postponed till the next meeting of the Board.

Resolved, That the Tow Path on the River Welland be paced on whichever side may be considered most convenient by the Engineer.

Resolved, That if one Engineer can be spared, a level be taken from the commencement of the Grand River to Brantford.

Resolved, That the President be requested to call upon Major Hillier respecting the money to be obtained from the British Government, and to determine upon the most proper steps to be taken to obtain immediate payment thereof, and that the President be authorised to draw any bills which may be thought advisable, or execute a Power for the receipt of the money.

Resolved, That an advance be made upon Sections 26 and 27 to enable the Contractor to pay the arrears due to the laborers so far as such an advance may go.

A Letter was read from Mr. Gooding requesting an advance upon Sections 17, 18, 19, 21, and 22, to enable him to prosecute the work with increased rigor.

Resoloed, That the Agent be authorised to advance not exceeding $\frac{2}{3}$ the amount withheld, as he may find most expedient for the due performance of the Contracts, taking care to make the advance in such a manner as may best insure the due execution of the work.

Read a Letter from Mr. Vanalstine to O. Phelps, requesting an allowance upon his Job at the Deep Cut in consequcnce of the ditch having been filled up.

Resolved, That the subject be taken into consideration and an equitable allowance be made as soon as the banks are put into the same state as Mr. Phelps.

November 3rd, 1827.

At a meeting of the Board held at St. Catharines,

PRESENT:

Henry J. Boulton, Esq. *Vice President.*
George Keefer, and
John Clark, Esquires. } *Directors.*

The Minutes were read and approved.

The Estimates were approved, amounting to.....£6306 19 3
The Contingencies,..... 37 7 7

Inquiry was ordered to be made respecting the Scow sunk at the Harbor (bought of Hovey & Ward) and reported accordingly.

The consideration of Mr. Proctor's Letter respecting his concerns with the Company postponed, but

Ordered that Mr. Proctor be written to for either the originals or copies of all the documents he has relative to his title to lands in Montreal, and copies of all papers he has signed relating to the security offered to the Company, particularly Mr. Thompson's mortgage.

Ordered, That Mr. Davis be written to for a copy of the case submitted to Messrs. Sewell & Co., respecting Proctor's business.

Ordered, That Mr. Beach be written to to execute a Power of Attorney to transfer his Stock or remit the amount of his bond.

The Board considering it expedient for the preservation of the locks on the canal that a by-law be made to level a fine upon such persons who may wantonly or carelessly commit any injury or damage to them.

Resolved, That any person or persons on board any vessel, boat, scow, raft, or craft of any description, who shall at any time strike a pike, pole, or any other sharp instrument into the gates or sides of any lock, that the owner or master of the said vessel, boat, scow, raft, or craft, shall pay a fine of five shillings currency for every puncture or indenture so made, and that the lock keeper or any other person duly authorised by the Company be required to collect the same immediately.

A letter was read from Smith Ward requesting the Board to take the Stock he bought of John Clowes, upon which £91 5s., has becn paid. Refused.

Ordered, That the wages due to the late Capt. Oates, amounting to £3 15s., be paid to his widow.

Mr. Barrett having decided respecting Hill's claim upon S. Ward and Hovey, the final settlement of their accounts together with £250 voted to them last Board, was referred to a Board to be held at York.

It appearing that £50 has been paid to John Ten-Broeck more than his estimates.

Resolved, That a statement of his account be laid before the Board next meeting, and the said £50 accounted for by the Agent.

Vanorman having been applied to for payment of his note of £31 11s. 3d-, for contingencies, (see minutes Sept. 7th,) he produced a bill against the Company, of £33 13s. 7d.

Resolved, As no items are mentioned in said bill it be not allowed.

Mr. Barrett's account of Engineer's expenses,	£252	0	0
And incidental expenses,	4	6	3
	£256	6	3

ordered to be paid, but in future no allowance to be made for incidental expenses.

Ordered, That Mr. Phelps do not pay Vanalstine till he smooths off the banks, and that he be written to accordingly.

Read a notice from John Upper and others forbidding the Company turning a ditch or stopping up the water course passing through or near his premises. Not attended to.

Read a letter from N. Pauling, requesting his rent of mill privilege to commence from when the water is let into the Canal from the Chippawa, instead of from 1st July, 1828. Rejected.

6th November, 1827.

At a Meeting of the Board held at St. Catharines,

PRESENT:

The Hon. John H. Dunn, *President*,
The Hon. Colonel Wells, *Director*.

Resolved, That the undermentioned advances be made at the recommendation of Mr. Merritt, viz.

To J. Gooding, on section 22,.....£25
J. Martindale, on Wainfleet Marsh,... 50

Resolved, That Mr. Merritt and Mr. Phelps be required to attend a meeting of the Board to be held at York, at such a time in this month as may be appointed

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24th November, 1827.

At a Meeting of the Board of Directors, held at York.

PRESENT:

The Hon. John H. Dunn, *President*,
Henry J. Boulton, Esq., *Vice President*.
The Hon. Colonel Wells,
John B. Robinson, and
D'Arcy Boulton, Esquires, } *Directors*.

Mr. Merritt and Mr. Phelps were in attendance os required last Board.

Read a letter from Mr. Phelps, dated 24th Nov., 1827, on which the Directors having deliberated, and having examined the Agent and Mr. Phelps and compared his general statement with the accounts of work done and the expenditure incurred, the Board

Resolved, That on looking back on the proceedings of Mr. Phelps since the beginning of June, when he undertook the completion of the Deep Cut, they find that he has established a strong claim to the confidence of the Company from the result of his exertions. It appears that when he entered upon his contract there remained to be excavated on the Deep Cut 677,328 yards, of this he had excavated and removed 344,260 yards, leaving 333,068 yards, or about ⅓ of the whole Deep Cut to be yet completed. There has been paid to Mr. Phelps £20,349 and about £9,500 has been advanced to him in addition to enable him to bear the immediate charges of the great outfit necessary for so extensive an operation, and now at the conclusion of the season Mr. Phelps represents that £2000 more is required by him to enable him to discharge unsatisfied claims of laborers and others.

Upon this view of the present state of that most arduous portion of the Canal the Directors see reason for a well grounded confidence in its completion during the next season under Mr. Phelps' management, and they see no reason to mistrust his ability, prudence, or good faith. The Directors resolve to support him as long as they continue of this opinion with the necessary advances for proceeding in the work, and they therefore agree to make the advance desired by him of £2000 upon his executing a bond and warrant of Attorney to the Company for the amount.

It is however the express direction of the Board that no part of the £2000 shall be advanced until Mr. Phelps has perfected his security upon all his real and personal property to the satisfaction of the Solicitor of the Company, and the Agent is to see that the direction is strictly complied with and an inventory of the property as descriptive as circumstances will permit, and pointing out where it is at present deposited is to be forthwith furnished by Mr. Phelps to the Secretary of the Company.

No. 7.

RULES AND REGULATIONS FOR THE DEEP CUT.

1st. As *profane language* is highly offensive to God, and dishonorable to rational men it will be wholly discountenanced; and those who cannot bring themselves to dispense with it cannot be longer employed on this work.

2nd. As *Sabbath Breaking* is a great evil, and has an unhappy influence upon society generally, it is to be hoped that all persons engaged on the Deep Cut will feel disposed to reverence the Holy Sabbath, and as far as circumstances will admit give their attendance at the House of Worship; and in no case indulge themselves in drinking or tippling at

the groceries or taverns, on that day especially. Every person in the employ of the subscriber, let his religious tenets be as they may, shall be entitled to equal privileges and equal protection.

3rd. No *quarrelling or wrangling* will be admitted on any occasion whatever; and every such offence will lesson the persons engaged in it, in the estimation of their employer, and however the first offence may be disposed of, a second will meet with a final discharge.

4th. It is the particular request of your employer, that every person as soon as he quits work at night, will put on suitable clothes to preserve health, and at an early hour retire to rest. No *gambling* will be countenanced; and those who cannot dispense with it must not expect the approbation of their employer, or to stay long on the work.

5th. A comfortable house will soon be erected for the worship of God, and some good ministers of the gospel will be engaged to preach every Sabbath.—A large and suitable house is already provided for the reception of the sick, where medical aid, with other necessary attendance, will be administered *gratis* to the labourers, and at the expense of their employers.—All those who comply with the four first articles, will be entitled to the privileges of the fifth.

As a further encouragement to the hands employed in completing the Deep Cut, the following advantages are afforded as a premium, to those who wish to make money themselves, and see this great work speedily completed:—

1st. The Deep Cut will be divided into as may sections as there may be machines—probably about fifty; each section will require from 12 to 15 shovellers, one overseer, and five or six teams.

2nd. Shovellers' regular wages will be $12 per month; but should they average *eleven* yards per day, (after the earth is well ploughed up,) their wages will be increased to $13; and an additional dollar per month will be paid for every extra yard of earth they may average per day.

3rd. It will be equally to the advantage of each teamster to render every assistance, by his industry and activity, and by placing his waggon or cart in the best position for the reception of the earth, and by every other assistance he may render, and every one complying with this article, and who is faithful in taking care of his team shall have his wages increased in exact proportion to that of the shovellers who had his waggon or cart.

4th. Every overseer who shall prove himself deserving the station he holds, by endeavouring to preserve peace and good order, and a uniformity of operation, so as to enable his men to be benefited by his good management, shall have his wages increased in exact proportion to the shovellers.

5th. As very much depends upon the skill and activity of the overseers of each company the following PREMIUMS will be paid at the close of the work among the overseers:

The Overseer that produces the greatest number of yards, according to the number of days shovelling during the whole job, shall be entitled to and receive a premium of One Hundred Dollars. Second best $90: *Third best* $80. *Fourth do.* $70. *Fifth do.* $60. *Sixth do* $50. *Seventh do.* $40. *Eighth do.* $30. *Ninth do.* $20. *Tenth do.* $10.

OLIVER PHELPS.

Deep Cut, 12th January, 1827.

No. 8.

NOTICE TO LABOURERS.

WELLAND CANAL OFFICE,
St. Catharines, June 20th, 1827.

It has been represented to the Directors, that many labourers professing the Roman Catholic religion, are deterred from working on the Canal through fear of ill usage from persons of other persuasions, this is therefore to give PUBLIC NOTICE, that the Contractors are required to use every lawful means in their power to prevent such conduct; and not only to dismiss those who may be guilty of violating the peace, but institute legal proceedings against the offending party without delay.

J. BLACK, *Secretary to the Welland Canal Company.*

No. 9.

APPLICATION TO QUARTER SESSIONS.

WELLAND CANAL OFFICE,
St. Catharines, June 20, 1827.

SIR,

The Board of Directors of the Welland Canal Company have authorised me to make application to the Quarter Sessions for the appropriation of £50 per year for *two* years, out of the funds of the District, for each Bridge that may be constructed on the public highway across the Canal—being 12 in number. I therefore transmit to you the enclosed Statement, in order that you may give the subject due consideration, and be prepared by the next July Sessions, to give your opinion of the same.

Twelve bridges will cost £1,200, the interest of which is, per annum.....	£	72	0 0
The increased tax, by the erection of the Canal.....		217	0 0
'Leaving a gain to the District of, per annum.....	£	145	0 0

The Board have every reason to anticipate that a greater amount will be realized. However, so that no risque may be apprehended, and that there may be no possibility of an increase of taxation, they will engage to pay the District the interest on the money expended, until the increased rates in consequence of the operations of the Company exceeded the amount realized.

I am, Sir,
Your obedient servant,
W. H. MERRITT,
Agent, Welland Canal Company.

ESTIMATE of the probable increased Rates for the District of Niagara which will be created by the completion of the Welland Canal.

DESCRIPTION OF PROPERTY ENUMERATED.	No.	VALUATION. £	s.	d.	TOTAL. £	s.	d.
Framed Houses under two stories	200	35	0	0	7,000	0	0
Additional Fire-places	200	5	0	0	1,000	0	0
Framed Houses two stories	100	60	0	0	6,000	0	0
Stone and Brick ditto	100	60	0	0	6,000	0	0
Additional Fire-places	300	10	0	0	3,000	0	0
Grist Mills	4	150	0	0	600	0	0
Additional Fire-places	12	200	0	0	2,400	0	0
Saw Mills	20	100	0	0	2,000	0	0
Merchants' Shops	25	200	0	0	5,000	0	0
Store Houses	10	200	0	0	2,000	0	0
Horses	400	8	0	0	3,200	0	0
Yokes of Oxen	200	8	0	0	1,600	0	0
Pleasure Carriages	10	100	0	0	1,000	0	0
Pleasure Waggons	50	15	0	0	750	0	0
Milch Cows	200	3	0	0	600	0	0
10,000 acres of Arable Pasture and Meadow Land		1	0	0	10,000	0	0
					152,000	0	0
Which at *one penny* on the pound, will amount to					£217	1	8

No. 10.

ADDRESS TO STOCKHOLDERS.

[For this Address see appendix to Remarks for 1826, marked No. 12.]

IN THE YEAR 1828.

By a reference to the report of last year it will be seen the Company had still on hand stock to the amount of £38,837 10s. and all the means then at their disposal was 19 per cent on 8,893 shares sold = £21,120 17 6 to complete a work still requiring £90,000. The situation of the Directors became still more embarassing. They had got so far on with the undertaking at this period, it was almost impossible to discontinue the work without immense loss. After mature consideration the Board determined to make another attempt in London. The moment it was decided on, the most prompt and efficient measures were adopted for carrying it into effect. The Agent repaired to England, obtained a loan of £50-000 on certain conditions, disposed of the entire stock, and returned in October.

The work was continued without interruption throughout the season, means having been provided through Mr. Yates who became responsible for advances to the amount of £10,000.

Notwithstanding the success in disposing of stock and obtaining means, this year closed under circumstances equally appalling, if not greater than at any former period. On the 35th October when the Engineers had estimated that ten days work with the force on hand would bring the waters of the Welland River through this formidable summit, slips occurred at the south end to such an extent as to induce the Engineers to recommend the discontinuance of the work. Application was made to obtain advice from those best qualified to give it. Mr. Geddes was sent for, and the Engineers were immediately sent up to the Grand River, with a view of obtaining a higher level, to pass over those slides, the removing of which was deemed impracticable in their present situation.

The Report of Mr. Geddes, No. 1.

The Report of Mr. Barrett, No. 2.

The General Report of the Company, No. 3.

Statement to Stockholders, No. 4.

Copy of a letter from Agent to Directors, No. 5.

And minutes of this year for general details, No. 6; all of which are appended hereto.

The increase over last year's estimate is shewn to be about £25,000, and although great apprehension existed, as to the result, the reports of the Engineers and Directors shew that the greatest injury sustained was in time. All concurring in opinion that it would make a far better canal—but as usual those casualties and disasters were magnified and made a subject of reproach.

It is also worthy of remark that up to this period the private stockholders had sustained all the loss and expense having paid the interest on both loan and stock to the Provincial Treasury.

The minutes will shew the anxiety and difficulty of the Directors at this period.

DOCUMENTS

REFERRED TO IN THE FOREGOING REMARKS.

Report of Mr. Geddes,	marked	No. 1.
Report of Mr. Barrett,	"	" 2.
Report of Directors,	"	" 3.
Statement to Stockholders	"	" 4.
Copy of a letter from the Agent to the Directors,	"	" 5.
Minutes of 1828,	"	" 6.

THE DIRECTORS OF THIS YEAR WERE:

The Honorable JOHN HENRY DUNN,
The Honorable COLONEL WELLS,
The Honorable WILLIAM ALLAN,
HENRY J. BOULTON, Esquire,
JOHN B. ROBINSON, Esquire,
GEORGE KEEFER, Esquire, and
WILLIAM HAMILTON MERRITT, Esquire.

No. 1.

MR. GEDDES REPORT.

To the President & Directors of the Welland Canal Company.

The following Report is very respectfully presented:—

The disastrous *slips* at the *Deep Cut* present certainty of expense in attempting to remove them, and great uncertainty as to the successful operation of any remedy proposed. These considerations have suggested the expediency of supplying the Canal with water from the Grand River instead of the Chippawa.

Owing to the unfavorable surface over which a feeder from up the Grand River must pass, it results from the examinations and calculations made, that the cost of its construction would exceed $200000—the most costly mile upwards of $30,000.

The best plan that presents itself is to raise the Grand River by a dam. Seventeen miles of this River, which now rises and falls with Lake Erie, is to be brought up to the line of the highest mark to which the hurricanes on Lake Erie now raise it.—From this pond a supply for the Canal through to Lake Ontario, is to be drawn. This level, passing over Wainfleet Marsh, will continue across the Chippawa in an aqueduct, under which will be ample space for the Boats and Rafts moving on that stream: the same level to be continued through to the north end of the *Deep Cut*, where this summit Pond will terminate.

As the Canal from Grand River northwards, is intended to supply water-works of different kinds, as well as Lockage water, it ought not to be a perfect level. A declivity of three quarters of an inch in a mile will, in a Canal with twenty-six feet bottom, eight feet depth, and fifty eight feet surface, have a medium current of thirty-seven feet twenty six hundredths per minute, and the area of the cross Section being three hundred and thirty six feet, the discharge in each minute will be 12. 519÷ cubic feet.*

The elevation will be seventeen feet above the surface of the River Welland, and the width of the surface of this sheet of water through the Deep Cut, will be one hundred feet.

The slope of the banks in this cut above the Towing path, having the steepness of forty five degrees, the rains will carry down such quantities of earth that a bottom only fifteen feet wide would have required very expensive annual scourings, the cost of which will be saved by this body of water receiving safely, for many ages, all that can be carried down. Farther, it will, without detriment, receive all the earth necessary to be removed in forming a Towing Path for this new level.

The soft substance at the bottom of the *Deep Cut* which was insufficient to support the superincumbent banks of clay, is doubtless an underlay to the Chippawa valley, and may extend beneath the Wainfleet Marsh, under the valley of Grand River.

Attempts to bore below the level of the bottom of the *Deep Cut* were made, and the substance found was a loose sand; and the difficulty of boring was such that the Auger was not made to penetrate more than eight feet below the level of said bottom.

A Well was dug at the north end of the straight line run for the Canal through the Wainfleet Marsh, fifty two feet deep, when the bottom was found so soft that it was penetrated with a pole to the depth of eighteen feet. An auger forty feet long was bored its whole length into the bottom of this Well; and at the depth of seventy six feet below the level of the Chippawa, no rock was found. A Well was dug near the north end of the *Deep Cut*, and in boring in its bottom to thirty three feet below the level of the Chippawa surface, there was found no rock. It thus appears that if not *all*, a large portion of the Niagara River might run down the 12 mile Creek, without the removal of any rock.

For seventeen miles up, the Grand River may be called an *estuary* operated upon by the motions of the Lake. Much of this level piece of water is bordered by a sedgy shore, where rotting vegetables are acted upon by the fluctuations of the Lake, and the beams of a hot sun; and from this decaying mass rises a vapour that makes the lower part of the Grand River valley unhealthy. Covering this amphibious description of shore with a body of water that will remain permanently upon it, will doubtless act with great effect in improving the health of this sickly region of country, and will be hailed with joy by those living at the Naval depot. The navigation will likewise be improved by making here a more spacious Harbor for vessels.

Artificial structures for keeping open the entrance from the Lake into rivers are much aided by the passage through them of large streams—an advantage possessed by the Grand River. A dam however being put across the mouth of this river, there will be seasons when the stream will (during an active navigation and a full demand by the Mills) have

* As calculated by Eytelwein's Formula.

much of its water drawn through the Canal, leaving little to waste over the dam to operate in clearing out the sand from between the Piers, which are to be erected for securing a proper depth into the Lake.

To remedy this let the upper gates of the Lake-Lock be made nearly as deep as the Lock Chamber, with four or more large paddle gates for the purpose of letting out a temporary rush of water to carry off the effects of a severe long continued gale. That the water may act with greater effect the two Piers ought to be carried into the deep water of the Lake as nigh to each other as circumstances will allow.

Between the Grand River and the Chippawa there will be a *straight* line of Canal perhaps of fifteen or sixteen miles. Where is a piece of straight Canal so long?

The surface of the Canal water will be below the general surface of the great marsh, two feet, and act as a great discharging drain to cary off the issues of the several lateral drains that will be made for reclaiming the marsh.

Although the *slips* at the *Deep Cut* have been considered a great disaster, yet as they have been the means of leading to a plan of canal altogether preferable to the one that was prosecuting, the occurrence may be considered fortunate.

The Canal through the *Deep Cut* will *now* be of great dimensions,—through which vessels will be towed rapidly with ease, and the washings from the banks will be harmless. But through the *Deep Cut* as it *would* have been (bottom only fifteen feet wide) vessels must have stopped in recesses while others were passing them, and the area of their cross sections approaching so near to that of the canal, their motion must have been extremely slow, without a great augmentation of the towing power. Then the expense of continued cleansing of the bottom must have been a serious item.

According to the estimates and calculations of Mr. Barrett, your principal Engineer, (which upon inspection appear to be correct) the cost of the two plans differ very little. But if a sum was taken the annual interest of which would defray the expense of clearing the bottom of the *Deep Cut*, in point of cost the balance would be in favor of the new one.

Mr. Barrett's plan of piers at the mouth of Grand River, appears on examination to combine strength with cheapness of execution. His plan of the Grand River Dam, to wit, a formation of brush, is doubtless the one that ought to be recommended for all localities of the like kind. Nature not having furnished a bottom, an artificial one must be made; and of the stability of such dams no doubt need be entertained.

As four millions of cubic feet of water can be retained in natural reservoirs south of the *Deep Cut*, at a small expense, two locks being made three feet extra height, a navigation through the canal, by way of the Chippawa and Niagara Rivers, may commence early next spring. The expedient may be adopted profitably to the Company, and with particular advantage as respects the preservation of the locks.

Submitted with great respect,

By your most obedient servant,

JAMES GEDDES,

Engineer.

St. Catharines, 27th December, 1828.

No. 2.

Mr. BARRETT'S REPORT.

To the President and Directors of the Welland Canal Company.

Agreeably to the Directions received from the Board the 24th ult., I caused an examination of the bottom of the Deep Cut. The soft strata continue above our level the whole distance of forty chains, between the slips that have already occurred, and confirms the representation made by me when you were present. Last fall we bottomed several chains of the Deep Cut at the North end, and four chains at the South end; and from the nature of the earth no damage by the caving of the banks was apprehended. The first indication of the kind was in June last, at the South end, which was secured by a few piles,—at the same time I suggested the idea of bringing a feeder from the Grand River summit, if any farther slips should occur. By endeavoring to sink a ditch to bring through the water of the River Welland to supply the Canal below the Deep Cut, we came to the soft substance alluded to. As soon as the nature of the soil we had to contend with was ascertained an immediate stop was put to the work until an examination of the country between the Grand River summit and this place, could be made. This I have done, and find the situation of the ground the whole way most favorable, and also a good position for crossing the Welland by an Aqueduct. On comparing the estimate of the expense of locking down into the Welland, making a towing path on that stream, and continuing the feeder to the Deep Cut, as suggested, with the cost of continuing the canal on the summit until it crosses to the North end of the Deep Cut, the difference is found so trifling that no doubt can be entertained but that the latter plan should be adopted. By it we incur no additional lockage from the original design, and have to supply only one summit with water instead of two, besides shortening the route.

After finishing this survey I went up to explore the Grand River, with a view of bringing a feeder from the Bear's Foot Rapids, (where Mr. Geddes had been making examinations) which would have removed all the material obstacles in the navigation of the Grand River, and extended all the advantages of a lateral canal fifty miles into the interior of the country. This project was abandoned from the great expense which would have been incurred—the estimate exceeding $214,000. It was designed to carry a feeder (of the same dimensions of the Erie Canal) around the high bluffs which extend to the river at and near the head of still water. The main obstacle occurred in the very place we were led to believe there was none, from actual surveys heretofore taken, and reports made.

I take this opportunity of stating that there is no difficulty in making this stream navigable at a moderate expense on the plans laid down by Mr. Cusack and Mr. Lewis, by dams with locks of small lifts.

From all the examinations which have been made fully and with great care, it appears the idea I suggested in my report of last year of damming the mouth of the Grand River five feet, is the cheapest and best which can be resorted to.

As the public have imbibed a most erroneous opinion as to the effect which the late casualities at the Deep Cut were likely to produce, by increasing the expense of finishing the Canal, I submit the following statement of the expense of completing this work on the original plan, by entering the Welland, and the present plan in maintaining the summit from Marshville, (the point where the deviation commences) to the North end of the Deep Cut, and substituting the Grand River for a feeder instead of the Welland, which is the only alteration made.

Expense of finishing the Canal on original plan,	$74,910 36
On the present plan,	75,982 96
Making a difference of	$ 1,072 60

All that is required to finish the Deep Cut to admit the passage of vessels between the Welland and Lake Ontario, is an expendlture of $18,000, and can be accomplished by the first of next May. A sufficient supply of water can be collected in reservoirs above the Deep Cut, to supply the navigation until the water can be admitted from the Grand River. Thus no delay will be experienced in completing the Canal; it will be more spacious, subject to no casualty from caving, and will accelerate the passing of vessels through the Deep Cut.

To forward this work to the best advantage, the four locks at the Deep Cut, and the necessary excavation, should be put under contract immediately. The acqueduct over the Welland, the dam across the Grand River, the canal from the Deep Cut to Marshville, the cut of eleven chains at the mouth of the Welland, and the towing path from Niagara River to the Deep Cut—by the 31st of January next. And to insure an early supply of water from the Grand River, the contractors should be bound in the first instance to dig a feeder on the slope side of the Deep Cut to contain four feet depth of water, with twenty feet surface; the remainder of the canal can be widened to the proper dimensions hereafter with very ittle additional expense; and in the mean time it will answer every purpose for a boat navigation from the Grand River to the Deep Cut, and supply the Canal from the Welland to Ontario, with ample water for navigation and machinery.

To finish the cut including two locks which properly belong to the Grand River Estimate, will require	$18,150
For making a towing path from the Deep Cut to Niagara, and necessary work to open the communication with Lake Erie by this route,	15,000
Expense of cutting a feeder, or small canal, from Grand River to Deep Cut including the dam on that stream, and aqueduct of proper dimensions for navigation over the Welland,	41,850
	$75,000
To which add for contingencies,	25,000
	£25,000 = $100,000
Expense of extending the dimensions of the Canal from Deep Cut to Grand River, for ship navigation, including the harbor, &c. &c.	£33,412 = 133,648
Making a total of	£58,412 = $233,648

Respectfully submitted,

ALFRED BARRETT,

Principal Engineer, W. C. C.

St. Catharines, Dec. 26., 1828.

No. 3

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 1828.

When the Directors of the Welland Canal Company made their last Report, it was anticipated that the Deep Cut would be finished during the year 1828. Not more than 327,643 cubic yards of earth remained to be removed at the beginning of the season in order to complete this difficult portion of the work; and although almost incessant rains in the early part of the year retarded the operations of the Contractors very materially, yet from the average quantity of earth removed in each month, there was no room left to doubt that the means in use would have completed the Deep Cut before the commencement of the winter. In order to procure as speedily as possible the very gratifying result of bringing the waters of the River Welland through the Deep Cut into Lake Ontario, and to facilitate the removal of earth remaining in the Deep Cut, it was resolved in the latter part of the summer to carry down the excavation of a reduced width to the bottom level, through such parts as remained unfinished, and to accomplish this as soon as possible; by these means scows could be employed in removing the earth through that portion of the Canal which has long been completed, into the River Welland, where it could be so deposited as to assist in forming the tow path along the river. This mode of operation by scows had indeed been in use during the greater part of the season. Along the northern portion, and in the centre of the Deep Cut, the contractors had succeeded in completing their work very satisfactorily; and the whole wore a very promising appearance. On the first of October the smaller cut through the southern end of the Deep Cut, was commenced for the purpose above-mentioned.

Along other parts of the line, from the Deep Cut to Lake Ontario, every necessary exertion had been used; the locks had been constructed, and many of them prepared for the reception of water: and every arrangement had been made to meet the object which it was expected would have been attained in a few weeks—the uniting the waters of Lakes Erie and Ontario by the valley of the 12 Mile Creek. But on the ninth day of November, at a time when not more than ten days or a fortnight's labor, with the force then employed, were required for sinking the ditch at the southern end of the Deep Cut to a sufficient depth, an accident occurred, by the slipping of a portion of the bank, which demonstrated the want of sufficient solidity in the stratum of earth at the extreme depth near the southern end of the

Deep Cut to support the sides, after the harder earth in the space between had been removed.

Similar difficulties have occurred in other works of this kind; and from the measures which had been taken in this instance to ascertain the difficulties likely to occur, and from the judgment which had been formed and expressed by the persons best qualified to judge, it seems that there is, and must be, in great undertakings of this description, a precariousness against which neither sagacity nor experience can always effectually guard. Other casualties of the same description with the first, and arising from the same causes, occurred soon afterwards; the season had become so far advanced that labor could not be applied with economy and advantage, and the recent accidents having compelled the Directors to abandon the hopes which they had entertained of effecting a passage for the water before the close of the year, it was thought judicious to direct the dismissal of the laborers and check farther expenditure for the present on this part of the Canal.

The Directors visited and inspected the several slides which had occurred, a description of which will be found in the annual report of their engineer; and observations upon the spot produced the conviction that it would not be safe to ascribe the slipping of the earth, either to the degree of slope which had been given to the sides, or to the weight of earth which had been moved from the bottom and placed near the margin on the top. If the slides which have occurred could be ascribed on satisfactory grounds to either of these causes, then the expectation of surmounting the inconvenience, and providing against such accidents in future, could be more readily admitted. But the Directors having given their attention to the subject in all its bearings, were convinced of the expediency of meeting the present difficulty by adapting a change in the original plan which necessity seems to have suggested as the readiest means of surmounting the obstacle.

The annexed report of Mr. Barrett and Mr. Geddes will explain the alterations intended, and the advantages to be derived from them; and they will shew that with no material increase of expense, a better navigation will be procured than that which was originally contemplated. The plan of bringing down a feeder, (which would in fact have served the purposes of boat navigation) from the Bear's Foot Rapids in the Grand River so as to intersect the Canal, from Broad Creek through the Wainfleet marsh, was that which the Directors, from several considerations, were most inclined to favor; but a minute survey which has been made under their direction having proved that there were more formidable difficulties in the way than had been supposed to exist, it has in consequence been determined to erect a dam across the Grand River near the mouth, so asto obtain five feet additional height of water. By this method it will be seen that the Canal through the marsh will require much less excavation and be, on several accounts, better when completed, and the higher level of water, which by the proposed change will be brought to the navigation of the Welland will be preserved by being conducted across the river in an acqueduct, at a height that will leave the navigation of the river unobstructed; and from thence along the Welland until it flows into the Deep Cut, at such an elevation as will raise the Canal above all difficulty to be apprehended from the unsound bottom of the Deep Cut at its present depth, and afford a spacious and deep channel for schooners, very much preferable to that which would have been obtained had the original design been completed.

The Directors have taken their measures to suit this proposed alteration. The judgment of their principal engineer, Mr. Barrett, with whose conduct and skill they continue to be perfectly satisfied, has been confirmed by that of Mr. Geddes, whose character and great experience induced the Directors to desire his suggestions and assistance under present circumstances. It is satisfactory to be able on good grounds, to anticipate that on the plan now proposed a navigation of the same description as was expected to be made, but in some points much to be preferred, will be obtained at no greater cost than would have been required to complete it according to the former design.

It will very probably be objected that if the alteration which accident seems to have suggested, does in truth possess so much to recommend it, the Company ought to have adopted it on account of its intrinsic merit, and before the expense had been incurred of excavating the Deep Cut to a depth that will not now be necessary. Every means had been adopted to obtain ihformation—the route having been repeatedly examined by different engineers; and it is questionable whether the idea of conducting the higher level over the Wellrnd, and thence through the Deep Cut, would ever have occurred had the Canal been finished on the original plan.

The expense of removing the earth from the Deep Cut to a greater depth than would be necessary for the present plan, will by no means be wholly lost, as Mr. Geddes' report explains.

The Directors have determined upon constructing a towing path along the River Welland to its mouth and making a cut across the point into the Niagara River, which will make the navigation safe and convenient from Lake Erie through the Welland into the Deep Cut. These improvements will be immediately proceeded in. The Deep Cut, and the portion of the Canal below, will be completed without delay, and as a sufficient feeder may be brought from the Grand River into the Deep Cut, before the western section of the Canal can be completed for navigation by Schooners, it is expected that a navigation will be effected by the route of the Niagara and Welland Rivers through the Canal to Lake Ontario, in the early part of the next season, in the manner suggested at the conclusion of Mr. Geddes' report.

In the Engineer's estimate of last year, it was stated that the sum of £90,000 would probably finish the Canal. We have expended during the last season £60,000, and still require £54,662 to complete it for ship navigation throughout.

It appears from the different estimates which have been made with care by Mr. Barrett, and examined and confirmed by Mr. Geddes, that to finish the Deep Cut, make a towing path from thence to the Niagara River, and a cut to admit vessels from thence to the Welland, will require about £12,500. To make a dam across the Grand River, the acqueduct over the Welland, and bring a feeder with twenty feet surface and four feet depth of water from Grand River, will cost £12,500; or in other

words, to complete the navigation between Lakes Erie and Ontario by the Niagara River, and bring a supply of water from the Grand River, which will also afford a boat navigation, will cost in all £25,000.

The funds of the Company now amount to nearly as much as would cover the estimate of expenditure for the whole work on the above estimate of £54,662; but from the large sums we have to pay for interest of loans, contingencies, &c., the Directors do not feel that they would act prudently in undertaking to complete the whole line the present season for ship navigation, with their present means, although they are satisfied that it would be far more economical, and in every respect far more advantageous for the Company, than to delay it for another year.

In order to insure the completion of a navigation between the lakes early in the ensuing spring, the cheapest method is adopted in the first instance: the locks will be made of the proper dimensions, and the upper part of the Canal, being the section through the Wainfleet Marsh, can be afterwards enlarged according to the original intentions.

The capital stock of the Company is now disposed of, and His Majesty's Government has lent the Company £50,000 sterling, at four per cent interest.

The stockholders have paid in the whole amount of their subscriptions; and the Directors think it just to remark, that however great have been the difficulties surmounted in constructing so formidable an undertaking to its present advanced state, the whole pressure has been hitherto borne by the stockholders, since no aid has been granted by the Government, or by the Legislature for which the interest has not been punctually paid by the Company.

In looking forward to the early completion of the Welland Canal in a manner not prejudiced, and at an expense scarcely increased by the casualties which have occurred, the Directors feel warranted in anticipating benefits to the province and to the stockholders, which will amply recompense the expenditure incurred; but on this point every source of information is open to others as well as to the Directors.

The Honorable John H. Dunn, *President*,
Henry J. Boulton, Esquire, *Vice President*.

Joseph Wells,
Willam Allan,
John B. Robinson,
George Keefer,
Wm. H. Merritt, Esquires, } *Directors.*

Welland Canal Office,
St. Catharines, Dec. 31, 1828.

No. 4.

STATEMENT TO STOCKHOLDERS RESIDENT IN ENGLAND.

THE WELLAND CANAL.

A Company was incorporated in the year 1825 by an Act of the Provincial Parliament of Upper Canada for the purpose of connecting Lakes Erie and Ontario by a Canal of sufficient dimensions to admit the passage of vessels of 125 tons burden.—The Capital £200,000 Canada Currency, or £180,000 Sterling—is divided into 16,000 shares at £11 5s. each; of these shares 13,533 have been subscribed for, and 2,467 shares amounting to £27,753 15s. remain undisposed of.

The extreme length of this Canal is 41½ miles, of which only about 19 require entire excavation, the remainder being a natural navigation, caused by rivers and reservoirs.—The summit of Lake Erie is 330 feet above Ontario, and the ascent is surmounted by 37 Locks. There are two communications with Lake Erie, the one by Niagara, which will be finished by the 1st of November next, the other by the Grand River, which has been contracted for, and will be finished by the 1st of November 1829.

The extent of the country connected by this Canal, may be seen by reference to a Map of North America. From Lake Erie there is an uninterruppted communication to Lakes St. Clair, Huron and Michigan, and the connexion with Lake Superior, at the Sault St. Marie, may be rendered navigable at a small expense; and although the trade of the country bordering on Lake Erie alone is a sufficient object for this Canal, its profits must eventually be increased by the navigation of the Lakes beyond, and the settlements upon those Lakes greatly advanced by the opening of this communication. A Canal from Lake Erie to the Ohio in the United States, will be finished next season, by which the produce of a great portion of the country bordering on Ohio and Mississippi Rivers will be conveyed to Lake Erie according to the statemant of the Collector of Customs at Sandusky, (an American port on Lake Erie): the merchandize landed at that place alone last season, after passing through the American Erie Canal, amounted to $1,319,823, from whence it was taken by land for the supply of the States, bordering on Ohio. What then may be expected when these waters are connected by a navigable communication?

When property is once afloat on Lake Erie, even if destined for the New York market, it will unquestionably pass through the Welland Canal and enter the American Canal at Oswego on Lake Ontario, in preference to entering it at Buffalo on Lake Erie; because there will not only be thereby saved 127 miles of Canal navigation in boats from Buffalo to Syracuse, but the distance upon Lake Erie will be shortened 48 miles, and from the accumulation of ice in the spring at the entrance of the Niagara River, the navigation by the Welland Canal will be opened a month earlier every year. However, there can be no doubt there will be, in a few years, from an extent of 50,000,000 acres of land, which is situated on Lake Erie, and the waters above it as much as both these channels can convey. The American Commissioners have already recommended making a lateral Canal, adjoining the eastern part of Erie Canal from Utica to Albany.

The River St. Lawrence which connects Lake Ontario with the ocean is navigable for boats, between Prescott and Montreal, a distance of 130 miles although very difficult and tedious to ascend from the rapidity of the current.

The Rideau Canal, now in operation, and, intended to connect Lake Ontario with the St. Lawrence,

at or below Montreal, will avoid the obstructions in that part of the communication, besides being entirely within our own territory.

The St. Lawrence will soon be made navigable between Prescott and Montreal, for vessels drawing eight feet water, thereby connecting an extent of water equal to the whole extent of sea coast on the Atlantic ocean borderiug on the United States.

When on Lake Ontario we have 194 feet lockage to the sea by the St. Lawrence, and 574 feet by the Hudson to New York; our natural advantages are apparent.

Ships of any moderate burden can approach Montreal; and a very great proportion of the exports of all those vast and fertile countries, both British and American, rapidly increasing in wealth and numbers will pass through this channel to the ocean.

Since the construction of the Erie Canal, the Americans have diverted almost the whole trade of the western country to the port of New York; the advantages they have gained by this communication will be seen by the following prices now paid for transportation per ton from the United Kingdom to Lake Erie.

BY THE ST. LAWRENCE.

	Miles.	£	s.	d.
London to Montreal	3200	1	2	6
Montreal to Prescott, river navigation	130	4	1	10
Prescott to Niagara Peninsula, Lake navigation	270	0	18	0
Portage and boats over Peninsula to Lake Erie	36	1	13	9
		7	15	3

BY THE WAY OF NEW YORK.

London to New York	3200	1	2	6
New York to Albany, River navigation	150	0	11	3
Albany to Buffalo, Lake or Canal navigation at the rate of 1½d. per mile toll, and 1d. per mile transit	350	3	7	6
		5	2	3

The superior facilities of Canada for Canals, if we will avail ourselves of them, must soon enable us to regain this trade. When the proposed communications are there opened, the cost of transportation will be as follows:—

BY THE WAY OF NEW YORK.

Present price	£5	2	3
Saving by the Welland Canal	1	3	5
	£3	18	10

BY THE ST. LAWRENCE.

Present Price	£7	15	0
Saving by the Welland Canal....£1	15	6	
Saving by the St. Lawrence, when navigable	3	1	0
	4	16	6
	£2	18	9

A calculation of the freights and tolls for exports descending, will make the advantages of the Welland Canal more obvious.

FROM LAKE ERIE TO NEW YORK.

Present price	£3	0	6
Saving by the Welland Canal	0	15	1
	£2	5	5

FROM LAKE ERIE TO MONTREAL.

Present price	£3	11	6
Saving by the Welland Canal..£1	13	6	
Saving by the St. Lawrence, when navigable	0	10	11
	2	4	5
	£1	7	1

Besides the difference of trans-shipments.

The political and commercial advantages which must result to the British Empire on the completion of the canals in Canada are great.

The St. Lawrence throughout its present navigable course is British, and consequently open to British ships only;—whatever exports or imports therefore are brought down or sent up through the British Canals in that colony must become freight for the employment of British seamen and tonnage.

The duties imposed by the United States on British merchandize are excessive, and on staple commodities, such as course cottons, iron, salt, &c., amount to a prohibition; those duties will be effectually counteracted by the extent of frontier opened by means of these canals—and the consumption of all British manufactures, both in their territory and our own, greatly increased.

The same reasons which shew the great national advantages of the Welland Canal are sufficient to prove it a profitable investment of capital. This expectation is encouraged by the fact that the tolls on the American Canal amounted the first year after its opening in 1825, to 511,280 dollars; in 1826 to 750,000; in 1827 to 859,058; and their Northern Canal, which was made to divert the trade of Lake Chamlain from the St. Lawrence to the Hudson River, rather than from any expectation of profit, paid the first year after its completion 6 per cent upon the money expended.

It may be well to remark that before the Northern Canal was finished there were only twenty-two vessels employed on Lake Champlain; three years after its completion there were two hundred and eighteen; this increase must be chiefly attributed to the construction of this canal.

The profits of the Welland Canal are to be derived from the tolls to be regulated by the Company; with this provision, however, that they are never to divide more than 20 per cent profit upon the money expended, and that after fifty years if the profits shall not have been less than 12½ per cent per annum, the King may assume the whole canal upon paying to the Company the money subscribed, and 25 per cent in addition. The Company possess also by Royal grant 13,400 acres of valuable land, and have purchased 1000 acres more along the line of

the Canal. Its hydraulic situations also will be a source of considerable profit in a country where water power is so valuable.

The opinion entertained in America of this undertaking may be collected from the sums granted by the Colonial Legislatures for the purchase of shares, and still more from the large amount subscribed by foreign capitalists in New York, who could not have been induced so to advance their money from any other motive than a profitable return, and among whom the whole sum required could have been raised, but that it was thought expedient to secure a majority of shares to British holders.

To shew the opinion of such as are fully competent to decide on such matters—the following letter from two very eminent Engineers who have examined the subject is here inserted:—

"London, 13*th May*, 1828.

"Sir,

"We have, with much attention and interest, examined the documents you have laid before us relative to the Welland Canal now in progress in Upper Canada, and which is intended to connect Lakes Erie and Ontario by a ship navigation.

"With respect to the great importance of this undertaking, whether in a political or commercial view, and the advantages to that country likely to result from its completion, there can be but one opinion among persons who will thoroughly investigate the subject.

"The very great extent of ship navigation in the lakes above the Falls of Niagara, upon the same level, must always confine the carriage of the products of that country to vessels of considerable burden; for whenever this is practicable with few transshipments, no other mode of transport can compete with it.

"By your Welland Canal these productions are conveyed 120 miles nearer to their market, even if delivered at Oswego for New York, and 200 miles if intended for the St. Lawrence; and as this when the goods are once embarked, will be attended with little additional freight or insurance, it must be impossible for a canal, so far as it runs parallel with the lake, to compete with it.

"We are of opinion that you are perfectly justified in reckoning the advantage at the rate of 20s. per ton; and that you must necessarily have a good proportion of that trade which now passes from Lake Erie to New York.

"But as the improvement of the river St. Lawrence below Lake Ontario, will follow as a natural consequence of this measure (and in this we understand there is no material difficulty) so as to form an uninterrupted line of ship navigation to the ocean; from the superior facilities of that route the produce of the countries on the upper Lakes will ultimately fall into the natural outlet of the St. Lawrence, and the importation of the upper country will return in the same bottoms from the markets of Europe or the West Indies.

"What the extent of this trade may be in a country so rapidly advancing, cannot be conjectured by us, but there can be little doubt of its amply reimbursing the subscribers for the outlay of their capital.

"From the plans and sections that have been submitted to us this canal seems to be very favorably circumstanced with respect to the ground through which it is cut; the inexhaustible reservoirs which supply it with water, and the very extensive mill power which will be established at its locks. The prolongation into Lake Erie, besides saving several miles of navigation, will avoid the serious obstruction caused by drift ice, at the head of the Niagara River, and thus have a material advantage over the New York Canal.

"THOMAS TELFORD,
"ALEXANDER NIMMO.

"Wm. H. Merritt, Esq."

An office will be permanently established in London for the purpose of transferring shares and paying the dividends. The dividends upon all the shares now subscribed, or to be subscribed in the United Kingdom will be paid half yearly in London at par, so that whatever may be the difference of exchange between the two countries the loss or profit will belong to the Company, and not affect the holders of those shares.

Messrs. Bosanquet, & Co., No. 73, Lombard Street, are the Company's Bankers in London, where subscriptions will be received, and the dividends hereafter paid as they arise.

Plans, Profiles, and Reports, shewing the present state of the undertaking, the Act of the Provincial Legislature, and the Powers of the Agent acting for the Company, as well as the documents necessary to establish the foregoing statements, remain with that firm to be exhibited to parties willing to become subscribers, and the Agent, Wm. Hamilton Merritt, Esq., 19 Bury Street, St. James's, will be ready at all times to give such further explanation as may be required.

No. 5.

Welland Canal Office,
St. Catharines, 27th Dec., 1828.

To the Board of Directors of the Welland Canal Company.

Gentlemen,

The calculations on the surveys above the Welland was finished yesterday—and Mesrrs. Geddes & Barrett are this day making out their respective reports.

It appears it will now require to finish the Deep Cut, on plan proposed.....	$11,140 38	
To carying the Canal to Chippawa, ...	37,213 80	
To build the acqueduct over Welland River,.....	5000 00	
		53,354 18
To continue the Canal to Marshville,.....	22,628 80	

To construct a dam over the Grand River,.....	10,000 00	
To finish the Canal from Grand River to Marshville, to admit the waters of Grand River sufficient to supply the summit below the Welland,.....	10,000 00	
		42,628 80
		$95,982 98
In addition to this it will require to finish the route to Fort Erie by the mouth of Chippawa, ...		15,000 00
Making,.....		$100,983 00
To the entire estimate by Mr. Barrett's Report, ...		198,650 46
You must add the completion of the harbor		20,000 00
		$218,650 46
or		£54,662 12 6

By Mr. Black's statement of our available funds we have at our disposal £40,000 or thereabouts—and will require to complete the whole a further loan of £15,000—besides perhaps about £5000 more for contingencies, casualties, &c. &c.

The only question for our present consideration is whether we will make arrangements at once for completing the whole Canal to Grand River by letting out every part of the work—or only such parts of it as will ensure us the navigation between the two lakes by the Niagara and Welland Rivers the ensuing season with our present means.

To accomplish the latter it is necessary to let out the making of Locks on Deep Cut, and the Canal about half a mile beyond it to embrace or include the reservoirs at once, and in any plan you may think necessary to adopt. I beg you will send me authority at once to let this part out on the estimate of our engineer—we have not a moment to lose, and you perceive it is necessary to be done in any case—it will give new zest to the work, and it shall be done by 1st June.

The remainder of the work—aqueduct, Canal to the Marsh, and Grand River Dam—should be advertised for contract by 19th of January—by that time the Engineers will have the work all laid out and specifications prepared—the only difference we should make if we intend finishing the whole would be including the Grand River Harbor or Piers—and in the other case to make the contractor carry through a ditch and let out the towing path down Chippawa and cut to Niagara River, as reported on by Mr. Barrett last year.

To make the Board perfectly understand this plan they will see by raising the dam at Grand River 5 feet we can dig a ditch 2 feet below this and draw a sufficient supply of water for the Canals from the Welland down to Ontario without interfering with the work materially.

My opinion is that we should let out the whole and run the risk of borrowing 20 or £25,000.

This sum can be made up in various ways—1st, by procuring an act this session and augmenting our capital to £350,000,—and if they would give us banking privileges for £50,000, the stock would be disposed of more readily; if not we can get Mr. Ellice to dispose of this stock in England by guaranteeing the interest for 5 years.

This I know he would do, and we can offer him the following security, (and probably Yates would do the same thing) viz: authorize him to dispose of £100,000 Stock, the interest on which will be £6000 per year—this money he should retain in his possession, or enough to cover the annual interest—we would only require $100,000, or £25,000 more to finish the Canal, and the remainder would be applied to the payment of our debts.

After the Canal is finished, and time allowed us for building vessels or directing the trade of Lake Erie—there will be no further difficulty, as our credit will be established by our receipt of tolls.

Another expedient may be adopted by borrowing on our lands in this country—for I still think if the Directors of our bank, the only monied institutien in the province, were told that 12 or £15,000 would complete the canal, there is public spirit enough among them to lend us that sum on the security of our first tolls—and hydraulic privileges, together with the land we possess.

At all events one of the two methods must be adopted. If you decide on letting out the whole the following resolutions will be necessary.

1st. In order to open the navigation between Lakes Erie and Ontario early the ensuing spring—

Resolved, That the Agent do let out the building of the locks at deep cut on the estimate of our Engineer, with the necessary excavation immediately.

[You will perceive time is not allowed to advertise this, as the timber requires to be delivered this winter.]

2nd. As it appears from the statement made by the Engineer, &c. &c., that the sum of £54,663 will finish the Canal from the Welland to Grand River—and from the statement of the Secretary that we have £40,000 on hand, it is considered expedient to put the whole line under contract and endeavor to borrow the remaining 15 or £20,000—therefore it is

Resolved, That the agent do immediately advertise for letting out the line of the Canal from Deep Cut to Marshville, the aqueduct, dam, and piers, at mouth of Grand River, on the 19th day of January next, to the lowest bidder.

If the Board on mature consideration do not think the £25,000 can be procured the ensuing year, it is indispensible they adopt immediate measures for opening the navigation between the lakes—in this case the following resolutions will be necessary.

From the Reports submitted to us by Mr. Geddes, an Engineer employed to examine the line of the Welland Canal from Deep Cut to Lake Erie by way of Grand River, and from Mr. Barrett, our principal Engineer, it appears that the sum of £54,662, will be required for the actual work on the Canal from Deep Cut to Grand River—besides contingencies, interest of money, &c. &c. &c., and from the statement of our available funds from the Secret-

ary it appears we have only the sum of £40,000, on hand—it is deemed inexpedient to undertake the completion of this part of the Canal the present season, nevertheless as it is highly important to effect the junction of the two lakes as early as possible.

Resolved, That our agent take measures for finishing the Deep Cut, and let out the four locks and necessary excavation immediately on the estimate of our Engineers.

In order that we secure a feeder from the Grand River as soon as the same may be required for the supply of the Canal between the River Welland and Lake Ontario :—

Resolved, That our agent advertise to let under contract on the 19th January—

1st.—The Dam across the Grand River.

2nd.—The Canal from Marshville to Deep Cut, in suitable sections—and a ditch in the first place to be sunk within 3 feet of bottom.

3rd.—The towing path between Deep Cut and mouth of Chippawa, the cut at Chippawa to admit vessels from the Niagara River (as reported at last meeting by Mr. Barrett, estimated expense $2000—and admit an expenditure of $2000 on the towing path on the Niagara River. By this methed we would give directions to Mr. Simpson on the Marsh job to dig down the ditch at once, after which he might finish the canal as required.

We thus secure the completion of the Canal between the lakes, drain our lands and go on securely —in the other case we must, as we have heretofore, trust to fortune for an additional sum.

The only thing I have to request is that you will send me over by the next post instructions to let out the Deep Cut—and as soon as convenient to advertise for the other—as it is indispensable in point of time.

WILLIAM HAMILTON MERRITT.

No. 6.

MINUTES OF THE BOARD OF DIRECTORS FOR THE YEAR 1828.

21st January, 1828.

At a Meeting of the Board, held at York.

PRESENT :

The Hon. John H. Dunn, *President*,
Henry J. Boulton, Esq., *Vice President*.
John B. Robinson, and
D'Arcy Boulton, Esquires, } *Directors*.

A letter was read from Mr. Proctor respecting his concerns with the Company.

Ordered to be referred to the Solicitor—the Secretary to send Mr. P. his account current.

Mr. TenBroeck presented a statement respecting his land overflowed by the Canal.—*Ordered* to be deferred.

Measrs. Seymour & Langford applied for balance of account for Lattice Yates, delivered on account of O. Phelps' contract for locks.

Ordered, That £125 be paid them on account of Phelps & Co.

An account was presented from Mr. Galt on account of the Canada Land Company.

Ordered to be referred to Mr. H. J. Boulton.

H. N. Monson applied for a further advance on reserves on J. Simpson's contracts.

Resolved, That his Notes £37 10, and £100, formerly advanced, be assumed by the Company, but that no further advance be now made.

Ordered, That O. Phelps & Co's. Notes £500 now due at Bank, on account of the Lock contract, be renewed.

Ordered, That Bell & Co's. application for £500 on their reserve be advanced.

Ordered, That Mr. Phelps' application for money to purchase Hay, &c., on Deep Cut, be complied with, and that £250 be now advanced for that purpose.

Resoleed, That the work on the Locks do not proceed beyond what is absolutely necessary for the preservation of the property.

Resolved, That £75 be advanced to Mr. Phelps on account of land purchased of Jacob Dittrick, assigned the Company.

Reoolved, That the Notes overdue at the Bank on account of O. Phelps & others, amounting to £4079 10s., be assumed by the Company and charged to the respective parties.

2nd February, 1828.

At a Meeting of the Board, held at the Parliament House, York,

PRESENT :

The Honorable John Henry Dunn, *President*,
Henry John Boulton, Esquire, *Vice President*,
John. B. Robinson, and
D. Boulton, Esquires. } *Directors*.

Mr. Samuel Wood attended and proposed in order to settle amicably with the Company his much contested claim, that they should become purchasers of his Farm near St. Catharines, (100 acres,) for £750, to be paid in such manner as might suit the convenience of the Company.

To which proposal the Company acceded, and it was directed that the Solicitor to the Company shall examine the title, and if he find it sufficient shall settle the conveyance to the Company without delay.

14th February, 1828.

At a Meeting of the Board, held at York,

PRESENT :

The Hon. John H. Dunn, *President*.
Henry J. Boulton, Esqr. *Vice President*.
John B. Robinson,
D. Boulton, and
John Clark, Esquires. } *Directors*.

The Agent attended and stated that all debts being paid, including advances by the Bank, the Company have at command £30,000—viz.

Grant from British Government,...£17,777
Due on Instalments,..... 12,333
£30,000

There has likewise been advanced to Contractors, which cannot be repaid till the conclusion of the work,.....£11,000
There will be required to finish the Canal to Welland River,.....£40,000
To Grand River,..... 50,000

£90,000

Between this and the month of May there will be required an expenditure on the work of about £1000 per month = ...£3000
For advance on Grain..... 1000

£4000

In May and the following months we shall expend at least, £1000 per month, until the Deep Cut is finished, but in order to take advantage of the early and dryest time of the season, £15000 is necessary.

From which it appears the Stock now called in will certainly carry us on until the first of June, and if by that time the amount to be paid in England can be available, no embarrassment will be felt till the first of August, before which time some means must be devised to obtain £50,000 for the remainder of the season.

The result of any attempt in this country to subscribe, or negotiate a Loan can be ascertained by the first of May. The result of any reference here can be ascertained by the middle of July.

PROPOSAL

1st. To enlarge the Capital to £300,000.

2nd. To endeavor to sell Stock or effect a Loan in the United States.

3rd. To send an Agent immediately to England, to make an arrangement for drawing the $\frac{1}{9}$ from Government, which we must apply to increase its proportion to the whole amount expended, which is implied in the Government Despatch.

4th. To endeavor to sell Stock.

5th. To endeavor to effect a Loan.

18*th February*, 1828.

At a Meeting of the Board held at York,

PRESENT:

Henry J. Boulton, Esq. *Vice President.*
John B. Robinson, and
John Clark, Esquires. } *Directors.*

Resolved, That all the Bridges on the Mountain summit be made 40 feet wide, for the purpose of admitting Steam Boats to the large Reservoir above Lock No. 1.

Resolved, That Marshall Lewis build all the turn Bridges agreeable to the Engineer's estimate.

John Henderson of Pelham having made an application for 400 acres of land on the marsh in Wainfleet on lease for the purpose of an experiment to grow hemp, ten of which to be sown this spring and manufactured in the fall for the inspection of the Board.

Resolved, That the same be granted for 10 years at a nominal rent.

Resolved, That Mr. Phelps be advanced the amount of forage (hay and straw) delivered monthly at the Deep Cut on the statement of the Engineer

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2*nd April*, 1828.

At a meeting of the Board held this day at York,

PRESENT:

The Hon. John H. Dunn, *President*,
H. J. Boulton, *Vice President.*
J. B. Robinson, and
John Clark, Esquires. } *Directors.*

The Hon. T. Clark having made application for a copy of the papers relating to the arbitration on the matter of S. Wood and others, it was ordered that the Secretary furnish him with them.

Resolved, That the work on the Deep Cut be prosecuted with all possible despatch as far as means will allow, and other parts of the Canal as moderately as possible until intelligence is received from Mr. Merritt, the Company's Agent in England.

Resolved, That during the absence of Mr. Merritt it is necessary that there should be some person to fulfil his duties, and therefore that Mr. John Clark be appointed for that purpose, but as this appointment will come more regularly under the new Directors to be elected on the 7th instant it is esteemed most proper that the salary be determined by them.

10*th May*, 1828.

At a meeting of the stockholders, held at St. Catharines pursuant to advertisement, for the election of Directors for the ensuing year—the followng igentlemen were duly elected, viz:

The Honorable John Henry Dunn,
The Honorable Colonel Wells,
The Honorable William Allan,
Henry John Boulton, Esquire,
George Keefer, Esquire, and
William Hamilton Merritt, Esquire.

10*th May*, 1828.

At a meeting of the Directors held at St. Catharines,

PRESENT:

The Honorable John Henry Dunn,
The Honorable Colonel Wells,
John B Robinson,
Henry John Boulton, and
George Keefer, Esquires.

The Honorable John Henry Dunn was chosen President.

Henry John Boulton, Esquire, Vice President for the ensuing year.

The minutes were read and confirmed.

The Agent represented to the Board that the bridges which Mr. Lewis is now constructing are not of sufficient width—the Board therefore gave directions to Mr. Barrett (who was present) to see the resolutions of 31 March 1827 & 18 February, 1828, on that subject carried into effect, and that the bridges be not less than 14 feet in width, and of sufficient height above the surface of the water to admit of ordinary canal boats passing under, and that they be paid for according to his estimate.

Resolved, That the Balance Beam be painted, and the other timbers of the locks tarred.

Resolved, That the Board will not consider itself bound by any contract which the Agent or Secretary may make until it has received the sanction of the Board.

The Agent represented to the Board in the presence of the Engineer that it did not appear to him that the Engineer paid sufficiently close attention to the progress of the work along the line.

Mr. Barrett stated that his presence was little wanted at the Deep Cut, but was more particularly so at the locks, to which he had attended very minutely, and also to every other part of the work as far as was necessary. The Board expressed its thanks to the Agent for representing whatever he thought amiss, and informed him that it will always be happy to receive his remarks and suggestions, however disagreeable such a duty might be to himself. But the Board continue to have every confidence that Mr. Barrett will exert to the end of the work the same judicious and diligent superintendence as hitherto, and they trust that he will impress upon those serving under him the necessity of the same care and attention.

The Board enjoined the Agent and Engineer to confine the operations as much as possible to the Deep Cut, and to postpone the other parts of the work as much as can be done consistently with the engagements of the Company and the preservation of the work, it being the earnest desire of the Board to apply their means and exertions as exclusively to the Deep Cut as may be found practicable.

Mr. Monson applied for an advance on Reserve Section 23.

Resolved, That no further advance be made on this or any other section at present.

Mr. John TenBroeck applied for remuneration for losses sustained by his land being overflowed by the Canal.

Mr. Alexander Vanalstine applied for payment of extra work performed on his job at the Deep Cut in consequence of the ditch filling up from other contractors—referred to the Engineer and Agent to fix a just value thereon.

Mr. Barrett did not think any allowance should be made—the petition was therefore rejected.

Love Newlove applied for remuneration for losses sustained in receiving, storing, and delivery of grain and hay, and cutting roads on Deep Cut.

Ordered, That Mr. Phelps do report on the matter next Board.

W. G. Harris laid certain claims before the Board, the consideration of which were postponed until Mr. Merritt returns from England.

Mr. Hepburn applied for an increase of wages for duty performed at the harbor.

Resolved, That he be allowed $26 per month.

A letter was read from Mr. Yates dated New York, 18th April, respecting the funds of the Company.

Resolved, That considering the probable expenditure for the next two months, and being exceedly anxious that the Contractors for the Deep Cut should be enabled to proceed without any interruption for want of funds, the Board feels it necessary to take every means in their power for procuring money, since there is reason to believe that the funds now at the disposal of the Company will be exhausted early in June—It is therefore thought important that one of the Directors should proceed immediately to New York to confer with the stockholders there, and to raise, if possible, the sum of £25,000 by loan or subscription of stock. The President not being able to go, the Vice President consent to undertake the mission, and he is hereby authorised to proceed with as little delay as possible with discretionary power to act according to circumstances by Power of Attorney to be approved of by the President and Directors at York.

5th June, 1828.

At a Meeting of the Board of Directors, held at St. Catharines,

PRESENT:

The Hon. John H. Dunn, *President*,

The Hon. Colonel Wells, and George Keefer, Esquires, } *Directors.*

The minutes were read and confirmed.

The estimate for May, amounting to £5217 17s. 3d. and contingent account = £38 13s. 4d., were approved and ordered to be paid.

A letter was read from J. Gooding, requesting an advance on the amount reserved on his several sections.

A resolution having passed last Board not to make any further advances at present, Mr. Gooding's petition cannot be complied with.

L. Newlove's petition, deferred last meeting, ordered to be further postponed until Mr. Merritt returns.

Vanalstine's do. do.

A letter was read from Captain Northrup, expressing a wish to purchase a building at the harbor formerly used by Hovey and Co., as a stable.

Resolved, That Captain N., may remove the said building and have the use of it for such time as he may require, subject to the Company's order and control.

Jacob and John TenBroeck's land having been surveyed as per order of the Board, and it appearing

that £84 0s. 3d., is due to the former, and £131 7s. 4d., to the latter :—

Ordered, That they be respectively paid.

Duncan Kennedy, applied for an additional estimate on work performed in 1824.

Resolved, That an advance of £15 be made to him, and that the final adjustment of his claim stand over until he be fully acquainted with the business.

As no estimate has been taken upon the excavation at the harbor on Wainfleet Marsh,

Resoloed, That £50 be advanced on the former, and £187 10s., on the latter.

Mr. Barrett stated to the Board the absolute necessity of raising the piers at the Harbor.

Resolved, That the Engineer order such work to be performed therein as in his judgment he may think requisite.

July 3rd, 1828.

At a meeting of the Board of Directors held at St. Catharines.

PRESENT :

H. J. Boulton, Esquire, *Vice President,*

The Hon. Colonel Wells, and George Keefer, Esquire, } *Directors.*

The minutes were read and confirmed.

The estimates amounting to £7808 1s. 7d., and contingencies £8 17s. 8d., were approved and ordered to be paid.

A Letter was read from Yates & Co., stating the balance in their hands to be £319 14s.

Resolved, That it be drawn for at 60 days, and they be advised accordingly.

P. Shaver's award was considered.

Resolved, That a copy of his will be sent to the Solicitor General, together with a survey of the land required, and a copy of the award.

A Letter from J. Gooding applying for the full amount on rock excavation, Section 19, was read.

Ordered, To be considered next Board.

The consideration of Mr. Clark's Salary postponed to next Board.

Mr. Monson applied for advance on Reserves.—Rejected.

Mr. Phelps' note £500 on lock contract, due 13th July.

Ordered, To be renewed.

A letter was read from James Whyte, Quebec, recommending Parker and Wyatt's cement.

Resolved, That a barrel be ordered as a sample.

August 8, 1828.

At a Meeting of the Board of Directors, at Niagara Falls.

PRESENT :

The Hon. John H. Dunn, *President.*

The Hon. William Allan, and George Keefer, Esquires, } *Directors.*

The minutes were read and confirmed.

Mr. Wood's award was considered.

Resolved, That it be referred to the Solicitor General, requesting him to have the deeds completed without further delay, and that the Secretary have the Copies of the Deeds certified by the Registrar and forwarded to the Solicitor General for that purpose.

A letter and statement of Hartwell's debts were submitted to the Board, also two letters from D. Thompson on the same subject in which he proposes to take a contract of Hartwell's job.

Resolved, That the amount of Hartwell's estimate £253 2s. 3d., be retained by the Company.

Resolved, That the Engineer and Agent be authorised to let the late John Hartwell's job at their discretion.

Resolved, That Rowley's estimate, £56, be retained by the Company, and that the Secretary write to J. & A. Rowley, respecting the claims upon them.

Mr. Monson's application for an advance on reserves, was considered.

Resolved, That £125 be advanced him.

Mr. Phelps attended respecting the amount reserved from his land contract.

Resolved, That $100 be reserved on locks No. 27, 28, and 29, and $40 on locks 1, to 26, and 30 to 32 inclusive, and that $1000 be advanced on his contract in addition to his estimate for July.

Messrs Simpson & Co., attended respecting damage sustained on their job at the Deep Cut.

Resolved, That the adjoining contractor be urged to remove the impediment complained of, and the £125 be deducted from the estimate of Simpson and Co., on account of advances.

Bell & Co., applied for advance on Section 15.

Resolved, That £125 be advanced on reserve.

Mr. Gooding's letter postponed last Board, was considered, and as the work on Section 19, would in all probability be finished this month, it was not thought advisable to make any further advances upon it.

Mr. Pauling's letter of June 5th, respecting his mill seat, considered.

Resolved, That his rent do not commence till the water of the Chippawa is brought through the Canal.

September 18th, 1828.

At a Meeting of the Board of Directors, held at St. Catharines.

PRESENT :

Henry J. Boulton, Esquire, *Vice-President.*

The Hon. William Allan, and George Keefer, Esquire, } *Directors.*

The minutes were read and confirmed.

The estimates, amounting to £5455 6s., and contingencies to £14 2s. 9d, were approved and ordered to be paid.

The Engineer was required to make a report respecting the Saw Mill on Section 32.

The Secretary was ordered to purchase 5 barrels of oil, and a proportionate quantity of Spanish Brown, &c., for lock gates.

Ordered, That the Secretary write to the Stockholders, &c., who are yet in arrear.

A letter was read from Mr. Thompson, respecting the late Mr. Hartwell's concerns, and proposing to finish his job on Deep Cut, in connexion with L. Newlove.

Resolved, That Messrs. Thompson & Newlove's offer be accepted.

A letter from Price and Johnson respecting labor performed on Hartwell's job.

Referred to the Administratrix.

Resolved, That the interest due to the Government of Upper Canada, due the 12th inst., stand over till next meeting of the Board.

Resolved, That the work on the Marsh be proceeded with so far as it can be done without interfering with the Deep Cut.

Resolved, That the Company subscribe £50 towards making a road from Sugar Loaf settlement to Misener's in Wainfleet. [*Rescinded on the 12th Instant,*]

Pratt and Simpson required an extension of time to pay their advances.

Resolved, That their petition be granted.

Adjourned.

September 12th, 1828.

At an adjourned Meeting of the Board, held at St. Catharines.

PRESENT.

Henry J. Boulton, *Vice President,*
The Hon. William Allan, and George Keefer, Esquire, } *Directors.*

Mr. Wood attended the Board when it was finally agreed to give him £175 as a compensation for the land taken by the Company and overflowed by the Canal, for which a deed was to be prepared accordingly.

Adjourned to Deep Cut.

PRESENT:

In addition to the above—John B. Robinson, Esqr.

A letter was read from Monson Simpson, & Co. respecting a road to be made from the Sugar Loaf settlement to Misiner's.

Resolved, That the Company make a road one half the distance required from Mr. McDonald's line towards the Sugar Loaf, and that the resolution of the 11th respecting a donation of £50 be rescinded.

Mr. Thompson attended respecting Hartwell's job, when the resolution of yesterday was confirmed, and on which they will have 35 cents per cubic yard, and 10 cents for scowing.

An account was presented of laborers who had not received their pay upon Hartwell's job, amounting to £78 10s. 10d.

Resolved, That £66 18s. due on the above for August be appropriated to that purpose, and the balance, £11 12s. 10d., be made up by the Company.

October 9th, 1828.

At a Meeting of the Board held this day at York,

PRESENT:

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esquire, *Vice-President.*
The Hon. William Allan, and J. B. Robinson, Esquire, } *Directors.*

The minutes were read and confirmed.

The estimates, amounting to £4,544 12s. 11d., and contingencies, £24 2s. 11d., were approved and ordered to be paid.

Mr. Phelps' note, £500 on Lock Contract, due the 14th instant, ordered to be renewed.

Pratt and Simpson applied for an extension of time to pay advances on the Deep Cut.

Monson Simpson, & Co., applied for a loan of $3000 upon the Marsh Contract, to be paid by instalments from estimates.

Resolved, That the President endorse a note for the above amount at 90 days, to be renewed, deducting the said instalment at stated periods.

McMahon applied for the Company to retain the reserves from the late sub-contractor on section 22.

Resolved, That the said reserves be retained until the work is complete.

Yates & McIntyre's letter respecting the Vice President's drafts upon New York was read.

Resolved, That the said drafts be retired at the Bank, and that Messrs. Yates, & Co. be informed thereof.

A letter was read from Mr. Northrup respecting obstruction at the harbor.

Resolved, That the thanks of the Board be expressed to him, and that Mr. Barrett be instructed to have channel sounded and the impediment removed.

Mr Phelps applied for the privilege of erecting a saw mill on the Canal, near Lock 29.

Resolved, That his petition be granted, and that he have the use of it for two years gratis, after which he may take the site at a valuation, or the Company take the mill in like manner at the option of the Company.

Resolved, That Mr. Boulton be paid £100 for his expenses to New York.

Resolved, That 50 be advanced to Mr. Clark on account of his salary.

N. Pauling applied to enlarge the floom of his mill at the harbor.

Resolved, That he be permitted to do so under the direction of the Engineers.

November 21, 1828.

At a meeting of the Board, held at St. Catharines :—

PRESENT :

Henry J. Boulton, Esquire, *Vice President.*

The Hon. Col. Wells,
The Hon. Willam Allan,
John B. Robinson,
George Keefer, and
Wm. H. Merritt, Esquires, } *Directors.*

Mr. Merritt's mission to England was taken into consideration.

Mr. Goulburn's letter was read.

Mr. Stewart's letter was read, authorising the President to draw upon E. & R. Ellice & Co. for £30,000.

Resolved, That the President write to the Hon. J. Stewart, of the Treasury, requesting him to order the remainder of the loan to be paid over to Messrs. Ellice & Co.

Resolved, That a letter be written to Messrs. Ellice & Co. accepting their offer of becoming Agents to the Company, and advising them that the President has drawn upon the Treasury for £20,000 in their favour, and at the same time that he will now draw upon them for £10,000 & the remaining £10,000 at a future period in favor of the Bank of Upper Canada.

Resolved, That Mr. Merritt's negotiation with Mr. Bliss, respecting 100 shares Canal stock, and with Messrs. Ellice for 1200 shares be agreed, and that letters be written to them accordingly.

Read a letter from Messrs. Bosanquet, Pitt & Co. respecting their receiving stock, dividends, &c.

Resolved, That they be appointed Bankers to the Company in London, and that they be drawn upon for £2,500 in favor of the Bank of Upper Canada, and that they be advised thereof.

Mr. Dawson's letter respecting his being appointed Agent at Liverpool.

Resolved, That it be agreed to on his disposing of 400 shares and that he be written to acccordingly.

Read the Resolutions of the Canada Company respecting a loan of £6000 ; also Mr. Spankie's opinion and Mr. Galt's letter.

Resolved, That the President obtain from Mr. Galt a specific proposal on the subject.

Messrs. Yates & Co. having applied to have drafts on London pass through their hands.

Resolved, [The Board having taken into consideration the said application] That the 10th clause of the Act 1825, requiring all monies to pass through the Bank of Upper Canada, it is out the power of the Directors to allow the funds of the Company to pass through the hands of any private individual by which the Company may subject itself to cost, in case their drafts should be dishonored.

Resolved, That the President draw upon Messrs. Yates & Co., for the balance in their hands at 30 days' sight in favor of the Cashier of the Bank of Upper Canada.

Mr. Merritt having stated that beside the £300 sterling advanced to him on going to England, he had expended £200 more, which he had received in London.

Resolved, That Bosanquet & Co. be requested to carry the same to the debit of the Company in full for compensation to Mr. Merritt for his mission to England.

Sloan & Co.'s contract was taken into consideration.

Resolved, That they be allowed to go on with their work at the harbour in the spring, or relinquish the same on giving notice thereof at the next Board.

Resolved, That Mr. John Clark be paid £200 for his services during Mr. Merritt's absence in England, and for one month from this period.

Mr. Jacob Keefer applied for a mill privilege near the Canal.

Resolved, That Mr. Keefer be allowed to erect a saw-mill, and that he have the privilege for the same period which others have, at a rent to be fixed on by the Company, or the Company to purchase the mill at valuation.

SATURDAY, *Nov.* 22, 1828.

At an adjourned meeting of the Directors held at St. Catharines.

The Directors proceeded to the Deep Cut, accompanied by Mr. Barrett and Mr. Phelps, and having examined the recent slides which have taken place, of which the Engineer has given a particular description.

It was proposed as the best mode of overcoming the difficulties occasioned by the unsoundness of the bottom of the Deep Cut to bring down a feeder from the Grand River from the still water above the Barefoot Rapids in such a direction as will intersect by the shortest practicable route the proposed line of the Welland Canal from the Grand River to the Welland, (it is calculated by these means a head of water 14 feet above the western section of the Canal will be obtained) to be descended by two locks.

The Grand River will doubtless afford a constant supply of water, and by abandoning the last project of deriving the supply from Lake Erie, the necessity will be superseded of proceeding to a greater depth with the Deep Cut, and the level of water through the Cut will be raised 12 or 16 feet, so that the present towing-path would constitute the bottom of the Canal—a navigation would thus be effected 110 feet in width through the Cut—and another most material consideration is, that the excavation through the Marsh from the Welland to the Grand River need not exceed 7 or 8 feet in depth—whereas, it appears upon the most accurate survey which has been taken,

that the average cutting, according to the original plan would be from 18 to 20 feet; besides the immense difference in expense, other considerations concur to make the deduction in the excavation along the western section most desirable.

The prospect of these advantages, added to the consideration that no other method presents itself for so certainly overcoming the unexpected difficulty of completing the Deep Cut, determine the Directors to adopt it, if upon examination and further reflection no obstacles occur which do not appear at present.

It is also to be observed that the improvement proposed can be easily so managed as to make the Feeder from the Grand River prove indeed a convenient boat canal, which will extend the advantage of an inland navigation to within 4 miles of the village of Brantford.

Having this change in view, the Board examined the different acts of the Legislature forming the Charter of the Welland Canal Company, in order to ascertain whether they have the power of extending their operations, &c. so as to pursue the proposed plan, and whether they can bring the water down from the western section of the Canal by a feeder along the bank of the Welland until it intersects the Deep Cut, so that the right of water obtained from the Grand River can be preserved while the Welland will still form a navigable canal, from whence vessels will ascend to the proposed new level of the Deep Cut by two locks.

The Board having come to the conclusion that besides the circumstances which threaten to prevent the completion of the Canal through the Deep Cut according to the original plan, and which would render the durability of the Canal at all times uncertain, it is competent to them to adopt the proposed alterations, and to apply the power given them by the Legislature in its accomplishment.

The Board further directs that the Engineer shall without delay make surveys for the purpose of ascertaining the proper lines for a feeder from the Grand River above the Bearfoot Falls to the canal leading from Broad Creek, and for the other feeder along the bank of the Welland to the Deep Cut, keeping in view that the feeder from the Grand River would be such as to afford a navigable boat canal 4 feet depth of water.

That these surveys be made with the greatest care and deliberation, and that estimates founded on them be immediately submitted to the Board.

Resolved, That Mr. Clark proceed immediately to the Welland and Grand River, and endeavor to obtain a relinquishment or purchase of whatever lands may be necessary for a feeder before alluded to.

The Board next took into their consideration the present state of the Deep Cut, and with every means of information which their own observation, the opinion of the Engineer, and others could furnish, and having reflected upon the different suggestions made, and particularly on a plan submitted by Mr. Phelps of supporting the bottom and sides of the Deep Cut with timber, and received the opinion of the Engineer and Agent upon it, they conceive that it is not expedient to continue any further operations on the Deep Cut through this winter, either with a view of removing the earth which has slipped down, or of staying the adjacent portion of the Canal.

They direct that the Engineer shall ascertain by boring the bottom of the Deep Cut in various parts through the whole length what is the nature of the earth below the botto.n—how near the bottom any soft, or loose, or unsound stratum occurs, and to what depth such stratum extends, and that a minute report of this be made as soon as practicable by the Engineer.

They also direct that the water shall be drawn off from the sides of the Welland Canal by ditching, wherever it appears that its remaining in its present situation can be injurious—and that particular attention shall be paid to repairing any injury the tow path may have received, and to prevent it for the future from teams travelling upon it, &c.

The Board is not aware that there is any Civil Engineer in this Province or in Lower Canada whose judgment would be valuable, and whom they could get to examine the Deep Cut in its present state.

The Board further directs that the Engineer shall without delay so lay out and arrange the work to be done this winter by the contractors for the canal through the marsh, as that whatever shall be done may be consistent with the purposed change of plan with regard to the dimensions and depth of excavation.

With respect to the harbor on Lake Ontario, the Engineer reported that no injury appears to have been sustained to the piers so far as they are completed, but that the severe gale of Saturday last had removed and partly thrown down a pier which was in the act of being constructed. The Board directs the particular attention of the Engineer and Agent to the preservation of the work so as to secure it against the storms of winter—and with a view to its early completion the ensuing spring, an estimate of the work necessary to be done to render it permanently secure and to complete the excavation, be prepared and submitted to the Board.

The Board directs that an inspection of the locks be made by the Engineer, and a report of their present state, and the Agent is requested to engage Mr. Phelps to take them under his superintendence and charge through the winter and spring, making all necessary preparations for resisting any injury from weather or floods, and also to exercise a constant care of the sides of the Canal, including towing paths and all erections.

Mr. Phelps laid before the Board an inventory of all cattle, carts, and other property possessed by him and tranferred to the Company, the same having been purchased with advances made by the Company and not now required for the immediate prosecution of the work.

The Board Resolved, That Mr. Phelps, in concurrence with the agent, take immediate measures for disposing of the above property by auction, sending advertisements without delay to York, the head of the lake, Niagara, and also to Lockport, Buffalo, &c., taking care to prevent their being sold at an increased and an unreasonable sacrifice—a credit of nine months may be given on notes with endorsers, to be approved by the agent.

Under the recommendation of Mr. Barrett, the board ordered the making of a ditch (suggested in

his report, 1st January, 1828) during the winter for leading the main branch of the Beaverdam Creek into the Canal.

The Board request that the Agent and Engineer, at their earliest convenience, prepare an account of the present state of the work for the purpose of framing the annual report.

Mr. Simpson, one of the Contractors for the marsh, attended at the request of the Board, and was asked at what price per yard he would be willing to make the canal through the marsh of the diminished depth as per proposed alteration, his present contract being 13 cents per yard, grounded on the supposition that the depth would on an average be 15 feet.

It appeared to the Board that according to the calculation upon which the above contract was founded, 10 cents per yard would be a liberal price and considerably beyond the proportion, but in consideration that they would have some claim on the Company on account of their preparation for the original contract, and from a wish that they should not be compelled to abandon the work, the offer was made of 10 cents per yard, to which the said contractors Simpson, Monson & Co., objected; asking 13 cents, and declaring ultimately that they would not take less than 11 cents.

It was at length agreed that the Company should give them 10 cents per yard, and if any difficulty should arise in the excavation from whence it should appear to the satisfaction of the Company that the contractor had a hard contract, the price of 11 cents should be allowed them, but not otherwise—and furthermore it is agreed if the general average exceeds six feet in depth, the excess shall be paid for on the estimate of the Engineer, and for 3 miles of the distance 11 cents shall be allowed.

Any embankment necessary to be made along this portion of the Canal will be paid for on the estimate of the Engineer.

The Board having deliberated upon the propositions made by Mr. Ellice in his letter to the President,—

Resolved, to accede to them, and Mr. Merritt having acquainted them of the interest Mr. Ellice had very kindly taken in the success of the Company, and the active exertions he had made in advancement of the great work which they are engaged in —it is therefore

Resolved, That Mr. Ellice's offer, that the House of E. & R. Ellice & Co., transact the general business of the Company in England as their agent, be accepted, with an expression of the sincere thankfulness of the Board for the essential services which Mr. Ellice has so promptly rendered.

Mr. Clark's letter to Mr. Merritt, respecting the amount granted to him during Mr. Merritt's absence in England as per Resolution of the 21st, having been read:

Resolved, That that resolution having been passed at a full board it cannot be rescinded, but may be reconsidered on a future occasion.

Application having been made on behalf of the widow of the late Smith Ward, who is left in very destitute circumstances, and is therefore unable to pay the arrears due on 10 shares of Stock held by him.

Resolved, That the said shares be forfeited, and the amount paid on them, £95 5s., be presented to the widow.

Read a letter from Mr. Adams, offering to rent the mills lately occupied by Mr. Merritt.

Resolved, That the said mills be advertised, and that sealed proposals be received until the 1st January, 1829, to rent them for 5 years.

The executors of P. Shaver presented a petition to the Board which was considered.

Resolved, That upon the Company receiving a title to all the land required by and overflowed by the Canal, the £125 awarded, be paid, and the Engineer is desired to make an immediate survey to ascertain the quantity.

Lewis and Chadwick applied for a lease of mill seat on Lock No. 1.

Resolved, That they may have it for five years at an annual rent of £7 10s.

Several petitions were laid before the Board, by Harris, McMahon, Newlove, Vanalstine, and others.

Resolved, That they be examined into by the Agent and Engineer, and reported upon next Board.

Adjourned.

24th November, 1828.

At an adjourned Meeting of the Board, held at St. Catharines,

PRESENT:

Henry J. Boulton, Esqr. *Vice President.*

The Hon. Colonel Wells,
George Keefer,
J. B. Robinson, and
W. H. Merritt, Esquires, } *Directors.*

G. A. Atkins applied for payment of work performed upon Hartwell's job after his decease, amounting to $90.

Mr. D. Thompson having by order of the Board $314 16 cts. placed in his hands for the payment of men employed upon the same job, and a balance still remaining, he is hereby authorised to pay the above on his being certified that the account is correct, and upon receiving Atkins' receipt for the same.

15th December, 1828.

At a Meeting of the Directors, held at the Bank of U. C., York,

PRESENT:

The Honorable John Henry Dunn, *President,*
Henry John Boulton, Esquire, *Vice President,*
The Hon. W. Allan, and
John. B. Robinson, Esquire, } *Directors.*

The minutes of November were read, and that part of it which refers to an offer made to Messrs. Lewis and Chadwick being indifferently worded, and not coming immediately within the recollection of

the Board, was ordered to be reconsidered at the next regular meeting.

The Directors then proceeded to take into consideration the terms upon which Mr. Merritt had obtained the Loan of £50000 from England.:

Whereupon it was *Resolved*, that the Board cannot forbear an expression of regret at finding that this Loan has been only made upon condition that the grant of $\frac{1}{3}$ of the cost of the Canal heretofore engaged to be paid by the Government shall be relinquished, a condition amounting in effect to the requiring a bonus of £27,000 for the Loan of £50,000, while the payment of full legal interest of 4 per cent per annum upon the whole Loan is exacted, and the repayment of the principal in ten years, while the Canal and tolls are in the mean time to be pledged to the Government.

This arrangement is so unreasonably disadvantageous that the Board cannot believe it possible after the Canal shall be actually completed, the Government will refuse to accept the payment of the balance between the grant first proffered and the Loan of £50,000, as an extinguishment of the whole Loan

The ample power given to the Agent of the Company under a very pressing exigency enabled him to enter into the stipulation above mentioned, and the Board cannot hesitate to confirm it—but on behalf of the Stockholders generally and especially of those whose deep stake in the Company would make the arrangement with the Government, if literally carried into effect, almost ruinous to them, the Board has felt it necessary to record the sentiment with which they have confirmed the arrangement.

The Directors were then about to consider the nature and conditions of various other engagements made by Mr. Merritt when in England, but as the Letters and papers necessary to a complete understanding and investigation of the same had not been sent from St. Catharines, it was

Resolved, That the Board should adjourn to Monday next at 11 o'clock, and that in the mean time the Secretary be written to requesting him to furnish all necessary documents and correspondence.

The Board therefore adjourned accordingly.

22*nd December*, 1828.

At a meeting of the Directors held at the Bank, York,

PRESENT:

The Hon. John H. Dunn, *President.*
H. J. Boulton, Esq. *Vice President.*
The Hon. Col Wells,
William Allan, and
John B. Robinson, Esq.

The minutes of the former meeting were read and confirmed.

Read a draft of a Letter to Mr. Yates respecting the negotiating of the Company's drafts on London through his house, which was approved, and the President was requested to sign and transmit the same to him.

Read Mr. Ellice's Letters of the 2nd, 13th, and 27th August, upon which the Board determined that if the President finds that he can invest the money in Government debentures, he shall immediately draw upon Mr. Ellice for the amount therein stated, allowing him 10 per cent exchange in the transaction, and that Mr. Ellice shall be informed that the Company not having occasion for its immediate use, have not yet deposited the security required by his Letter, but that, before any part of it is withdrawn by them from the security in which it is invested, the arrangement shall be perfected on the terms suggested by him.

Ordered, That a meeting of the Board be held as soon as Mr. Geddes' Report on the Feeder from the Grand River can be obtained—that Mr. Merritt be requested to attend if in his power, and that the Secretary be desired to furnish a general and particular account of the Company's affairs for the information of the Directors.

IN THE YEAR 1829.

After receiving the Reports of Messrs. Geddes & Barrett, and the deliberation of one entire day at this place the Directors consented to adopt the plan of gaining a higher level, and on the 1st January, the most extraordinary and unparalleled exertion was made, which with the most timely and judicious system of management, compelling by a written agreement each Contractor to retain a certain force until the entire line to Grand River was finished, also to allow any other Contractor after the 15th of May to enter on any portion of his work, ensure the completion of the entire line 27 miles in length, besides the North end of Deep Cut—4 Locks—Aqueduct and Dam in time to let through the Grand River water and pass the two first Vessels between Lakes Erie and Ontario. The *Report* of this year gives a general view of the work; the *Minutes* give a detail of particulars.

It will be observed in the Report, that engagements made in England for taking up Stock had not been complied with.

That reasons are assigned why the Dam was removed from the mouth of the Grand River.

The Cut at Chippawa and Towing Path on Welland was made this year.

The first proposal for establishing a line of Steam Boats is also suggested.

Documents referred to in the foregoing Report.

Report of Directors—	marked No. 1.
Mr. Barrett's Report,	" No. 2.
Prospectus,	" No. 3.
Minutes of 1829,	" No. 4.

This year the following Directors were appointed by the Legislature—viz.

J. J. Lefferty, and
Robert Dickson, } *Esquires.*

And the following by the Stockholders—viz.

The Hon. John Henry Dunn,
William Allan,
John B. Robinson, Esquire,
Henry J. Boulton, Esquire, and
George Keefer, Esquire.

No. 1.

REPORT OF THE BOARD OF DIRECTORS OF THE WELLAND CANAL COMPANY FOR 1829.

To the Stockholders of the Welland Canal Company.

As there is reason to believe, from remarks occasionally made in public papers and from other circumstances which have come under the notice of the Directors, that very erroneous opinions are entertained respecting the present state of the Welland Canal, and the prospects of its completion; & as the facts when truly stated, far from being discouraging, are exceedingly gratifying, the President and Directors think it proper to communicate to the Stockholders, and to the public generally, the result of their recent observation of the whole line of the Canal.

In January last, it was determined by the Directors, for the reasons stated in their last report, to discontinue the farther excation of the Deep Cut, and to overcome the difficulties experienced in that part of the Canal, by throwing a dam across the Grand River and bringing down the water of that River along a higher level than that of Lake Erie. To persons acquainted with that part of the country, the proposed alteration, and the effect of it, would be sufficiently understood from the statements in the last published Report of the Directors, and from the Report of the Engineer Mr. GEDDES, which was appended; but they may perhaps be made plainer to persons not possessing that local knowledge by the following statement.

The Grand River which empties into Lake Erie about forty miles above Fort Erie, has so little fall for the distance of sixteen or eighteen miles from the mouth, that the waters rise and subside throughout that extent according to the prevailing winds on the lake. It was formerly proposed to commence the Canal about two miles from the mouth of the Grand River, at the junction of a creek or inlet called Broad Creek, from which indeed, rather than from the Grand River, the Canal was to have led through the adjacent low lands and the Wainfleet Marsh to the River Welland, more commonly called the Chippawa, into which vessels would have passed by two Locks of six feet lift each. The Welland was then to have formed the channel for navigation for about 9 miles, or to a point distant about $\frac{3}{4}$ of a mile from the beginning of south end of Deep Cut which was to have been excavated to the level of the Welland; and from thence to Lake Ontario, the descent of 320 feet was to be accomplished by thirty-two locks. Upon this plan it will be seen that the canal was to bring down to the Welland through the Wainfleet Marsh, the waters of Lake Erie; and to bring down through the Deep Cut the water of the Welland, which, in truth, is the water of Lake Erie upon a lower level, or rather of the Niagara River running out of Lake Erie; because the Welland is a mere estuary or arm running up from the Niagara River, having often no perceptible current and sometimes indeed, no supply of water from the interior. It is a deep still water, upon a level with the Niagara river at the mouth of the Welland, and about 12 feet below the level of the waters of Lake Erie, at the mouth of the Grand River.

Proceeding upon this their original plan, the Directors had made very great advances towards its accomplishment at the close of the last season, and they do not rely merely upon their own judgment when they add, that they have effected as much with the means expended as can be exhibited in any similar undertaking in any country. The greatest difficulty (the deep cutting) had been so far surmounted that in two weeks more it was confidently expected a passage would have been made through it for the waters of the Welland; and the progress of the lower portion of the Canal was more than commensurate. The casualties which arrested the work in this stage, (the slipping of the Banks of the Deep Cut and the pushing up of the bottom) has been described and the cause of it being evidently such as to make it unsafe to trust to the completion and preservation of the Canal upon the original plan, the scheme was adopted by the Directors which has been already explained, and which consists in the following alteration:—

The Grand River is capable of being dammed at a moderate expense. It has been determined to do this and thereby to raise its waters about five feet—to make a Canal from the dam through the adjacent low lands and the Wainfleet Marsh to the River Welland, striking that River about five and a half miles lower down than it was before intended. Having a level of water five feet higher than by the original plan, the cut through the marsh will be of less depth in proportion; and consequently vessels will approach the Welland upon a level which will admit of their crossing it in an aqueduct, that will be sufficiently raised above the River not to obstruct the navigation more than the Bridges which at various points are thrown over it. From this aqueduct (the banks of the river being most favorable) the Canal is to be continued along the Northern side of the Welland to the Deep Cut, which it enters near the southern end of it, and preserves of course, through the cut, the same level of water which will have been brought down from the Grand River, descending at the northern end of the Deep Cut by two locks to the level originally designed when the Welland was to have constituted the feeder. From this point to Lake Ontario there will be no deviation from the first design.

Retracing the line down to Lake Ontorio, upon the plan thus explained, the Directors will briefly remark:—That the practicability of making a permanent dam at the Grand River is not doubted; the breadth of the river at the proposed point being about 9 chains; the water almost free from current; the depth about 10 feet, and the bottom favorable.—The contract for the dam is in the hands of persons of ample responsibility and of the greatest experience in works of this description; and it is at this moment prosecuted with energy and despatch.—In cutting from thence to the Welland, through the Wainfleet Marsh, five feet depth of excavation, for a distance of 12 to 15 miles is saved upon the present plan; the navigation will be better than the original design would have afforded: there can be no room for apprehension as to the nature of the bottom, at

the present depth; and the Canal will present a line of 13 miles mathematically straight. The acqueduct over the Welland seems to present no difficulty—none was apprehended; and the appearance of the work, at the present moment is most satisfactory.—The Canal from thence to the Deep Cut, along the northern bank of the Welland traverses a line which presents very peculiar facilities; and thus the Deep Cut is reached by a Canal preserving the same level throughout the whole extent.—The passage through the Deep Cut will be along a level 16 feet higher than was at first proposed, this will elevate the channel above all inconvenience from the slides, and place it, as it is believed, beyond the danger of similar casualties; and the great depth of water and extent of surface, will render the navigation more easy and agreeable.

From the Canal, just before it intersects the Deep Cut, a descent is provided by two Locks to the Welland—thus forming a navigation from Lake Ontario to the village of Chippawa, Fort Erie, and Buffalo, by the Niagara River, and a cut is nearly completed through the point at the mouth of the River Welland which will render the transit into the Niagara River safe and convenient.—The Grand River it should be added contains an ample supply of water for the Canal; the dam is to be thrown across to a point about 5 miles above the mouth, near which a Lock is to be made, that the navigation of the Grand River may not be obstructed. Vessels will pass from Lake Erie into the Canal by the original route, leaving Grand River two miles above its mouth from Broad Creek.

That the Canal is of certain and easy accomplishment, upon this plan, there is no doubt in the opinion of men of science and great practical experience; and that when completed it will afford a navigation preferable to that at first contemplated, is plain.—But although conviction of this fact offers the best consolation for the check which the work has received from the unlooked for casualties at the Deep Cut, it is not to be inferred, as a necessary consequence, that the work ought to have been undertaken at first upon the plan which the Directors have now been compelled to adopt.—On the contrary, besides other considerations which it is not necessary here to enter into, the damming of the Grand River was a measure which the Directors would not and could not have resorted to, without necessity; and, although an idea of doing so was formed in a very early stage of the undertaking, it was soon relinquished.

The Grand River for the distance of 18 miles from its mouth is of sufficient depth and breadth for navigation by steam boats and vessels of every description used on the lakes; and little or no inconvenience, from current, occurs throughout this distance. Although the shoal at the entrance renders the Grand River of comparatively little use at present, as a harbor, still the navigation upon such a river as we have described ought not to be impeded without a strong necessity; and the proposed dam, although a convenient Lock will be constructed in it, has, therefore been thought objectionable, and the Directors have had no little opposition to encounter on that score.—The overflowing of a considerable quantity of land up the Grand River, although the proprietors will receive from the Company the just indemnity assured to them by law; and the interference with the passage of fish up the river, although there are none of the most valuable kinds which frequent it: and although measures may be adopted which will diminish the inconvenience apprehended, if they do not altogether overcome it, are farther objections which have been advanced against the present plan, and they are objections which would have been urged with infinitely greater force if the Directors had taken such a step while another course was practicable

The difficulties indeed which the Directors have still had to contend against in consequence of the prejudice entertained against the damming of the river, are the besl proofs that they would not have been thought warranted in attempting it upon the mere footing of expediency and choice. As an alternative they have adopted it rather than abandon a work of incalculable importance to the country in a military and commercial point of view, or put its ultimate safety to hazard after more than £200,000 had been expended in its accomplishment. Any inconvenience or loss it may occasion to individuals will be cheerfully and amply compensated; and the navigation which will thus be formed, will unquestionably be better and more convenient than would have been obtained by completing the original design.

When this alteration was first determined upon it was intended that the dam should be constructed across the Grand River, about 572 yards from the mouth, at the upper end of the naval establishment; and not anticipating objections, preparations had been made and the work commenced. Objections, however, were urged by the naval commander in this Province, to which it was thought necessary to yield, and the work was discontinued.

On the 7th and 8th of May last the Directors examined the river for several miles up, and ascertained that no proper place could be found for the dam within a shorter distance than five miles from the lake. A site has accordingly been selected there; a contract has been entered into, and the work is proceeding rapidly. The objections advanced by Commodore Barrie extend to this site also, and indeed to any that might be proposed within the whole navigation line of the river, extending to the first of all about eighteen or twenty miles from the mouth.

With the sanction of the Lieut. Governor, however, which has been afforded to the Directors from a sense of the vast importance of the work, they have proceeded as they have done; not by any means in defiance or disregard of the protest which Commodore Barry conceived it to be his duty to make, but in the earnest confidence that His Majesty's Government possessing so great an interest in the work, and so fully aware of its importance, will not desire to enforce those objections, when the circumstances are fully before them.

The change of position, renders it necessary to make a feeder of five miles in length; and the gravel required for constructing the dam, must be all brought up in scows from the mouth of the river, nearly five miles—disadvantages, against which must be set the lessening the quantity of land to be overflowed, and the having a depth of water where the river is now to be dammed up, little more than half that which was found at the place first chosen; the

river, however, at the point where the dam is to be constructed, is nearly as wide again as the other.

The Directors cannot but persuade themselves that His Majesty's Government will, from the disappointment which the Company have experienced, be the more induced to take upon themselves the charge of improving the harbor at the entrance of the Grand River, or rather of forming a harbor there; for there is, at present, nothing that deserves the name. Piers must be built, and a channel excavated; the works of that kind, to the extent necessary for commercial purposes, were part of the plan of the Welland Canal, for indeed without them the Canal would not be called accessible; but to make such a harbour as would be of use to a navy in time of war, is more properly a national work; and the Directors are encouraged to hope it will be undertaken on that footing.

The Directors next proceeded to lay before the Stockholders the present state of the Canal. They visited it early the last month inspecting the whole line, and the result of their observation was exceedingly satisfactory. The Harbor at Lake Ontario has received no damage whatever from its exposure for two years: the Piers have not swerved, nor have they been in the slightest degree shaken. The brush Dam at the mouth of the twelve mile Creek by which the Basin is formed, and which sustains a head of 4 feet water, has received no injury; and there seems, therefore, no reason to doubt its durability. From Lake Ontario to the Deep Cut the Locks are in a great state of forwardness—two at the Northern end for descending from the Grand River level to the original bottom level of the Canal; and two near the Southern end of the Deep Cut, for passing such Vessels into the Welland as are to be navigated on that River, and the River Niagara, into Lake Erie.—These Locks with every necessary work connected with this part of the navigation, will be finished by the first of July next, if the weather is commonly favourable.

When the navigation by this route shall be thus completed, timely notice will be given of the ascent of the first Vessel that shall thus surmount the obstacle hitherto presented by the Falls of Niagara, to the navigation between the two great Lakes, Erie and Ontario. There will be collected, from streams and natural Reservoirs in the vicinity, sufficient water to fill the Canal so as to admit of this experiment; and indeed, if the season is not unusually dry, the supply will even suffice for using the Canal to a considerable extent.

It has been already explained, in the last Report of the Directors, that from the Deep Cut to the Grand River, the operations of the Company during the present year, will be confined to the making a Feeder of the ordinary dimensions and depth of a Boat Canal; but constructing the Aqueduct, and every thing beyond the mere general excavation of the dimensions required for a Schooner navigation, the difficulties against which the Directors have had to contend, have induced them thus to contract their work for the present, for fear of encountering the risk of being unable to meet their engagements, if they had proceeded immediately with the entire plan. The greater part of the excavation which will be necessary to enlarge the Canal is of such a nature that it can be most advantageously done in the winter, when it will occasion no interruption to navigation. Public confidence will have been secured by the junction of the waters of the two Lakes having been effected; and it is not apprehended that there will be any difficulty in finding the necessary funds. In the mean time it is satisfactory to be able to state that along much of the distance between the Deep Cut and the marsh, the make of the land is such, that little or no additional excavation is necessary to convert the feeder into a Canal of the requisite dimensions; and wherever this can be done by a moderate increase in the expenditure, the Canal at those points will be made, at once, of the full dimensions from the Deep Cut to the Aqueduct, a distance of almost five miles; the work presents no difficulty; the cutting is shallow and easy, and it will be completed about the 1st of July.

The Aqueduct over the Welland is in a state of great forwardness, and is indeed nearly completed; it is of sufficient size to pass any Vessel that can navigate the Canal. The work and the materials are excellent; and the Directors are convinced, that it will be found to merit the approbation of the Stockholders. It was commenced on the 12th February last: its length will be 400 ft., all the timber and other materials were prepared and delivered; the Piers sunk, the balance beams, string pieces, &c. erected; and, in short, the whole main frame up, when the Directors visited it on the 7th of May—part of the frame of the trunk or body of the Aqueduct, and the planking remaining still to be executed.

From the Aqueduct to a place called Marshville, (the point from whence the Canal was formerly intended to diverge to the Welland, taking a direction higher up the river,) is a distance of almost 8 miles, the work along this portion is far advanced, so that no doubt is entertained of its completion by the 15th of August, although the Contractors have been retarded by the very severe frosts of the past winter. It is to be observed that every part of the work from the Deep Cut to this point, was placed under Contract so lately as the 31st January last; before which time the Directors had it not in their power to decide finally, upon the operations of the present season.—It was not fairly commenced until the 12th of April when the frost disappeared; though every preparation had been previously made by the respective contractors.

From Marshville to the Grand River, the distance is nine miles.—The work through this portion of the Canal has been much longer in progress, and is in a state of great forwardness. Three miles of it is excavated to the bottom; four miles and a half is partly bottomed; and the remaining mile and a half is cleared and grubbed.

The next important point now remaining to be completed is the dam and the feeder from thence to the original line of the Canal; which will also serve, when finished, for a boat canal. The contractors feel confident they will be able to complete the dam by the 1st July; and the feeder, there is every reason to believe, will keep pace with the excavation on the lower sections of the Canal, as the ground is of a more favorable description, although it was not put under contract until the 30th of May.

From this minute review of the differeet sectinns of the Canal, the Stockholders will see that the work

is rapidly approaching its accomplishment. It seems not too sanguine an expectation to indulge that the whole will be finished by the 20th day of August next.

It is an interesting and important fact, to state that the Grand River, and the Lake above it, were clear of ice this spring on the 11th day of April; on the 10th of April the steamboat Niagara arrived at the town of Niagara, from Prescott—which proves, that at that time, the line of communication from Lake Erie to Montreal, by the Grand River and Welland Canal, was open, and open simultaneously.

When the Directors were at the Grand River, on the 8th of May, the narrow part of the Lake between the Grand River and Buffalo, was still blocked up with ice, and no vessel did leave, or could have left that port or could enter there, from the upper part of Lake Erie until the 14th of May. Saying nothing of advantages in the difference of distance, convenience and expense, there is a superiority so evident and so decided in having the exclusive channel to market for a portion of the season in which so great a share of the productions of the upper country may be forwarded, that it is impossible the Welland Canal can fail to be favourably looked upon by those whose agricultural and commercial interests must be so directly promoted by it.

At this moment, when idle rumours are circulating respecting the Welland Canal and unnecessary despondency admitted even by those who are sincerely desirous to witness its completion, the Directors have thus endeavoured to lay distinctly before the public its present state, and the hopes that may be entertained of its speedy accomplishment.

It has been their mortification hitherto to find, that while with the greatest proportion of strangers who visit this Province the Welland Canal seems to possess a particular interest, the inhabitants of Upper Canada in general, appear to have the most imperfect ideas of the stupendous nature of this great undertaking—the rapid strides by which it is advancing to its consummation; and the immense advantages to themselves, and to their country, which must inevitably follow the successful termination of a work, that it is probable will be thought hereafter to reflect some degree of credit upon those by whose encouragement and exertions it has been supported.

That difficulties may not yet occur, and that the Directors may not have to encounter a protraction of that anxious and perplexing exertion which has hitherto been necessary, they do not venture to foretell. They can only express their explicit assurance that they have not now before them any reason for anticipating difficulty in the execution of the remainder of the work.

Their financial arrangements have been attended with difficulties, which they had no reason to have expected; because they have arisen from a hesitation to fulfil engagements which the Directors considered to have been binding and conclusive, and upon which they therefore relied. No such failure however has occurred with respect to the Stockholders in America; and they trust, when pains are taken to contrast authentic information with groundless fears and idle reports, any hesitation which has hitherto been exhibited will be removed.

At all events the Directors trust they will not want means to complete the work as they are now proceeding with it, and according to the description they have given in this Report; and it would seem absurd to suppose that any serious difficulty will be afterwards found in completing the Canal without delay, according to the dimensions intended.

The Directors cannot forbear to pay a just tribute to the indefatigable exertions and judicious conduct of Mr. Merritt, the Company's Agent; and they continue to have every confidence in the ability of the Engineer, Mr. Barrett.

JOHN H. DUNN,
President,
Welland Canal Co.

No. 2.

Mr. BARRETT'S REPORT.

Welland Canal Office,
St. Catharines, 10th Dec., 1829.

Gentlemen,

During the present season I have been endeavoring to carry into effect the plan approved of by the Board of Directors at the close of the last year, which was bringing a higher level from the Grand River to the North end of the Deep Cut, thereby raising above the soft ground or quick sand found below the level of the Welland River, and removing every apprehension of slips or similar casualties in future.

From the severe frosts in the winter the line was not properly laid out until April, although the Engigineers were out constantly, nor could the contractors commence before the middle of that month, or the first of May, on many parts of the work.

The dam across the Grand River, and the aqueduct over the Welland, the only two artificial erections on the whole line, were let out and commenced in due time to ensure an early completion the present year; the latter was finished early in August, and I have not the least doubt had we been permitted to pursue the plan then decided on by the Board, the whole line would have been finished in that month.

The situation selected for building the dam over the Grand River, was on the direct line of the Canal near the lake—the work was commenced in January and suspended in March, after expending about fifteen hundred dollars.

2nd. From the various delays attending the removal of the dam, the work was not commenced until the 1st of June, and many parts of the new feeder not until the fifteenth. The loss sustained by the Company in consequence of this removal is fully stated in my letter of the 30th June last, to which I will refer you.

The water was let into the feeder from Grand River on the 7th of October; was immediately turned off to afford an opportunity of extending the security of the dam, and was not finally raised until November 6th. and from the extensive reservoirs to fill the Canal

was not fully supplied until the middle of that month.

The cut to intersect the Niagara and Welland Rivers, proved a far more formidable work than we anticipated, the earth very hard and difficult to be excavated, particularly under the bed of the two Rivers. It is now finished, with the exception of removing 400 yards of loose earth by means of a scraper or dredging machine, which may be accomplished in a very short time.

Part of the towing path on the Welland River is finished, the remainder is in progress and may be finished next month, that on the Niagara River will require only a few days work when the navigation will be completed.

The work on the main ship canal will speak for itself, and will I trust silence those evil reports so industriously circulated against it,—the canal has been filled with water, the truest level and the best test, and I can only add that I feel fully satisfied with the result.

From the difficulties met with at the Grand River, and the increased expense caused by removing the dam, I have altered my opinion respecting the termination of the ship canal in Lake Erie, and recommend the subject to the serious consideration of the Directors. When at the Deep Cut, we are nine and a half miles from the mouth of the Welland in the Niagara River, and only eleven and a half miles from Lake Erie, at or about the Sugar Loaf, consequently should our canal terminate at that point a vessel would reach Lake Erie, twenty-eight miles above Buffalo, nearly as soon as she will the mouth of the Welland, eighteen miles below Buffalo, thereby gaining 44 miles, and this is effected by a comparatively trifling expense.

Three good situations offer on the shore of Lake Erie, in this vicinity, for harbors—viz:—Steel's, Grabiel's, and Kennard's Bays; from either of these until it intersects the line of the Canal in the township of Wainfleet, near Humberstone, the distance is only 4½ to 5½ miles. From this point it will be recollected the canal is nearly all full width and depth to the Deep Cut, so that this distance constitutes the greater part of the expense.

The only sound objection to the Canal's now terminating near the Sugar Loaf, is that Lake Erie is free from ice above the Grand River earlier than it is at this place, which objection is well founded, and together with the inland trade from the interior formed the principal reason why this place was not selected in the first instance; but these reasons are at this time almost wholly removed by the construction of a boat canal from the Grand River, quite ample for all the produce from that country, and will admit the passage of all produce which may arrive at the Grand River before the ice is removed below. This will cause a reshipment, or a delay of the vessel until the Lake is cleared to the lower harbor, and is a fair consideration against the shortness of the passage during the remainder of the year, and the advantages of the situation for a harbor in cheapness and permanency. It may be questioned whether a vessel down the Lake with a fair S. W. or W. wind would not prefer passing down the Niagara River to making the Grand River and towing through the canal, when this being in a direct line would be seen to stop them as the length of the canal would not be increased and the whole circuitous voyage of 44 miles saved.

To finish and complete the Canal on the present plan the ensuing season, the following sums must be provided:—

For finishing the towing path on the Niagara and Welland Rivers, and through the Deep Cut,		$4,477 00
For widening the feeder from the Deep Cut to admit an ample supply of water for hydraulic purposes,		32,615 74
For raising the embankment from the Deep Cut to Lake Ontario,		2,000 00
And for incidental expenses,		5,000 00
It will require to finish the harbor at Lake Ontario on the original plan,		13,989 00
Making in all,		$58,081 74
To continue the ship canal to Lake Erie above Sugar Loaf will require to excavate Canal 4½ miles,	$74,128	
Harbor, (supposed)	15,000	
Additional expense for deepening the Canal from the junction to the Deep Cut,	22,155	
		111,283 00
Total,		$169,364 74

Respectfully submitted,
ALFRED BARRETT.
Principal Engineer.

To the President and
Directors of the Welland Canal Company.

No. 3.

PROSPECTUS.

The great natural facilities presented by the connexion of Lakes Erie and Ontario by a SHIP NAVIGATION, and the advantages which the Commercial and Agricultural interests bordering on and above Lake Erie must derive from an establishment combining regularity, celerity, and cheapness of transportation having been taken into consideration by a few individuals, they have thought proper to submit to the public the following outlines of a plan to form a Company for that purpose, to be called "THE ERIE AND ONTARIO TRANSPORTATION COMPANY," with a capital of $100,000 or £25,000, Canada Currency—to be divided into 1000 shares of $100 each. With this amount it is intended to build a small steam boat on Lake Erie, containing two engines of 40 horse power each, for the purpose of plying between Cleveland and the Deep Cut, Welland Canal, and either to purchase or build two steam boats on Lake Ontario, with similar power, to ply between the Welland Canal Harbor and Oswego, and the Welland Canal Harbor and Prescott—which ports, viz: Oswego, Prescott, and Cleveland, they are to leave regularly *twice a week*, or as often as practice and experience may prove to be necessary. To this line there will be TWELVE

schooners attached; two of which will be constantly at each port, to receive whatever may arrive destined to or from the New York or Montreal Markets, serving the purpose of store houses similar to the North River tow-boats—to pass through the Welland Canal without breaking bulk—meet their respective steamers, and be conveyed to their respective places of destination.

The Company will agree to receive produce at Cleveland, or any other port on Lake Erie, which they may hereafter select, and deliver the same either at Montreal or New York, and *vice versa*, at stated prices, and in a given time.

They propose making a specific contract with some one on the line of Canal boats on the Erie Canal, for the conveyance of produce and goods between Oswego and New York; and likewise with some established Company between Prescott and Montreal, if it can be done at moderate prices, and conformable to their regulations; otherwise they will extend their operations to both those ports direct.

Gentlemen will be appointed to receive subscriptions at the following places, viz:—New York, Albany, Syracuse, Oswego, Montreal, Quebec, St. Catharines on the Welland Canal, Buffalo, and Cleveland, in the State of Ohio. Each person to pay five per cent on subscribing; which money is to remain in the hands of the gentlemen appointed to receive it until the whole number of shares is subscribed, when a general meeting of the Stockholders will be called to appoint a committee of five, to be elected annually, under whose management the designs of the Company will be carried into effect.

The natural advantages this route possesses is simply in the prolongation of ship navigation. It is well known that a great proportion of the expense of transportation consists in loading, unloading, and port charges. Goods are conveyed from England to Montreal for $5 per ton, a distance of 3200 miles; and $5½ is considered a fair price from Liverpool to New York, which is the same distance; whereas, the current price of freight from Quebec to Montreal, 180 miles, per steamboat, is $1½ per ton. In order that it may be more clearly understood, the following numerical calculation is subjoined:—

The present price of transportation between Cleveland, in the State of Ohio, and New York, is as follows:—

Cleveland to Buffalo, 180 miles	$ 1 75
Storage at do	0 75
Buffalo to Albany, 362 miles, at 3 cents per ton per mile	10 86
Albany to New York, 150 miles	1 50
	$14 86

The lowest price for freight down, or eastward, is $14 50 per ton.

The price now paid from New York to Buffalo is $19 89 per ton; to which add $1 26 for storage and $1 75 for lake navigation—making a total of $22 90 for freight up, or westward.

By the Welland Canal route:—

Cleveland to Port Maitland, Grand River,	140 miles	
41 Welland Canal (including River Welland) Port Dalhousie to Oswego	120 miles	
Lake	260 miles	$ 2 17
198 Oswego to Albany		
239 miles Canal, at 3 cents per ton per mile		7 17
Albany to New York, river, 150 miles		1 50
		$10 84
For return freight between New York and Cleveland, add for 239 miles canal navigation, 1½ cents per ton per mile, being the additional toll, up		3 58
Additional river freight from New York to Albany		1 00
		$15 42

Saving in descending $4 2 per ton, and in ascending $7 48; and we shall likewise gain one or two days in time.

It will be observed that the greatest length of Canal navigation is allowed, as by the Niagara and Welland rivers there is only 16½ miles from lake to lake.

This route may be so arranged that *passengers* may be taken from Cleveland to Oswego in *two* days.

The present price of transportation from Lake Erie to Montreal, and *vice versa*, is as follows:—

	Miles.	
Lake Erie to Chippawa	18	
Storage at do		
Chippawa to Queenston	11	
Storage at do		
	29	miles
	per ton	£1 2 6
Queenston to Prescott	270	0 12 6
Prescott to Montreal	120	1 5 0
		£3 0 0

Montreal to Prescott, up	£3 15 0
Prescott to Ontario	1 0 0
Ontario to Erie	1 17 6
	£6 12 6

By extending this navigation so as to embrace the whole length of the lakes, it is expected to convey produce from Cleveland, in the State of Ohio, to Montreal, as follows:

	Miles.	
Cleveland to Welland Canal	140	
Welland Canal to Prescott	270	$3 42
Length of Welland Canal	41	1 23
Prescott to Montreal, down	120	5 00
Total £2 8s. 3d. for	571,	or, $9 65

Montreal to Prescott, up.....	£3	15	0
Prescott to Welland Canal, and Welland Canal to Cleveland.....	0	17	1
Through Welland Canal, 41 miles, at 4½ cents.....	0	9	3
	£5	1	4

Making a saving of 11s. 9d. per ton on the present price down, and £1 11s. 2d. per ton up; besides including the distance from Cleveland to the Welland Canal, 140 miles. Thus a barrel of flour, which now requires $1 50 from Cleveland to Montreal, will only cost $1.

The vessels on Lake Ontario, destined to carry produce to Prescott, will be British bottoms, and those to Oswego, American.

No. 4.

MINUTES OF BOARD FOR 1829.

At a Meeting of the Directors held at York, January 1st 1829.

PRESENT:

The Hon. John H. Dunn, *President.*
H. J. Boulton Esq, *Vice President.*
The Hon William Allan,
John B. Robinson, and
Wm. Hamilton Merritt, Esqrs.

Mr. Merritt having attended at the request of the other Directors, submitted a Report from Mr. Geddes of a Survey made by him and Mr. Barrett, for the purpose formerly considered by the Directors, the result of which survey appears to make it inexpedient to proceed in the plan of taking the water down from the Grand River above Bears foot Rapids by a Feeder—a difficulty occuring from a height of land in a place where it was not anticipated.

Mr. Geddes fully confirms by his opinion the judgment of Mr. Barrett formerly expressed in favor of damming the Grand River near the mouth, and thus obtaining a few feet rise of water upon the level through the marsh.

After discussing several propositions submitted to the Board, it was *Resolved*, by the Directors that the most expedient is to dam up the Grand River near the mouth—to proceed in cutting through the marsh for a Feeder to be conducted to the bank of the Welland, at or near Helm's Creek—construct an Aqueduct over the Welland at that point, and dig a Feeder from thence on the North side of the Welland to the Deep Cut—construct two Locks by which Vessels may ascend from the Welland to the Deep Cut upon the proposed level to be procured by means of a Feeder along the Welland.

It is also proposed to complete a Towing Path down the Welland River to the mouth, and to make the Cut across the point formerly estimated for. It is estimated that to finish the Deep Cut, including 2 Locks will cost,.....£18,150
From Lake Ontario to Deep Cut,..... 15,000
" Mouth of the Welland to Deep Cut,. 15,000
Feeder from Grand River,..... 26,850
Dam on Grand River, and Aqueduct over the Welland,,..... 15,000

£90,000

Assnming these calculations as they have been described to be made with care, to be reasonably correct, the Directors *Resolve*, That Contracts shall be entered into for the several portions of this work to be done with as much expedition as shall be advantageous.

By the expenditure of a sum upon which they can reckon as they trust with certainty, they shall with the least possible delay complete a Navigation capable of having it used with Schooners from Lake Erie to Lake Ontario—the part of the channel already finished from the Deep Cut to Lake Ontario will be brought as soon as possible into use, which is very desirable for the proper preservation of the Locks—the practicability of the whole work would be established—the hydraulic advantages will be realized—and as the Locks will be constructed with a view to Sloop navigation, nothing will remain but to give to the Canal from the Welland to Grand River sufficient depth and width for navigating by Sloops and Schrs.—a work which can be effected in the winter, and respecting which there can be neither doubt nor difficulty.

To carry this plan into effect the Agent is authorized to let out the Locks and necessary evcavation at the Deep Cut immediately, at the estimate of the Engineer, and that public notice be given that the remaining parts of the work will be let out by Contract on Saturday the 31st instant.

It is however determined by the Board that no Contract for the dam across the Grand River shall be entered into unless the Contractor shall give undoubted security to be approved of by the Directors at a special meeting, that he will complete it for the price agreed upon, and that it shall remain good and substantial 5 years.

It is also directed by the Board that the expenditure of any money between the Deep Cut and Lake Ontario shall be forborne to the latest period consistent with the due preservation of the work already done, and with the having that portion in readiness to be used when sufficient water can be brought through the Deep Cut.

And that the making any Contracts for the towing path down the Welland River, and the Cut at the mouth be also postponed to the latest period that will admit of its being finished, so that it can be used for Navigation upon completion of the works required to bring the water through the Deep Cut.

January 21st, 1829.

At a meeting of the Board of Directors, at St. Catharines.

PRESENT:

H. J. Boulton, Esquire, *Vice President,*
George Keefer, and
William Hamilton Merritt, Esquires.

The minutes were read and confirmed.

Mr. Adams' proposal to rent the mills formerly belonging to Mr. Merritt was read and accepted on the following terms, viz :

Rent 1st year,..... £50
" 2nd year,..... 75
" 3rd to 10th years,..... 100

Nevertheless if the water does not come down this year only £50 is to be paid the second year, and £75 the third. Mr. Adams is authorised to erect machinery and to have the refusal of the premises after the expiration of the term of 10 years, at a rental according to the then value of the mill privilege, &c., and if such valuation is objected to the erections and improvements made by Mr. Adams to be valued by two experienced mill wrights and paid for by the Company.

It was moreover agreed to purchase 2½ acres of land adjoining the said privileges—to be paid for next June, if the Company is in funds, if not, as soon as the Canal is finished.

Advertisements having been issued for proposals to be received this day for erecting an acqueduct across the Welland River—a dam across the Grand River, and to excavate a feeder from the Grand River to the Deep Cut : the Board proceeded to examine the several proposals, when the following being the lowest, they were approved of, and contracts ordered to be entered into with the respective persons accordingly, viz :

Brush Dam across the Grand River, as per plan and specification, £2,625.

Lock adjoining do. at the same price as others now erected on the canal of like dimensions.

Embankment 18 cents per cubic yard.

Lock-pit, Embankment and Puddling, as per Estimate of Engineer.

Messrs. Wilkinson, Simpson, Monson, and Pratt.

Mouth of River Welland.

11 or more chains excavation 12 cents per cubic yard.

Messrs. R. Campbell and George Rowe £875.

Aqueduct across the Welland.

Piles to be paid for extra, 7s. 6d. each.

Messrs. C. Phelps, Brundage, and Lewis.

	Chopping per acre.	Grubbing per acre.	Ex·avat'n per yard	Embank't per yard.
Feeder 1 to 5—Lemen Ayres, & Co.....	$14	$50	10 cts.	12 cts
" 6 to 13—T. Merritt,.....	$30.			
" 14 do.	10	50	12	12½
" 6 to 10 do.			9½	
" 10 to 13 do.			9¼	
" 15 to 21—Peter Keefer, & Co...	12	50	11	12
" 22 & 23—T. McMahon,.....	16	60	8	9
" 24 & 25——McGill, & Co.....		65	8¾	8½
" 26 & 27—J. Berger, ...				
" 28 & 29— Scott and Galbraith, ..	12	50	10½	10
" 30, 1, 3 4—Trotter, & Co.....		50	11	10
" 30 do.			10½	
" 32—S. Sixsmith,	6	35	8	9½

Monday, 2nd February, 1829.

The Board, accompanied by Mr. Barrett, proceeded to the Grand River, to decide the best situation for the dam and lock, and examined the whole line of the Canal.

Friday 6th, Saturday 7th, & Monday 9th.

The Board was engaged executing contracts and settling claims upon the Company which had been postponed until Mr. Merritt's return from England, and referred to him and Mr. Barrett.

TUESDAY, *Feb.* 10, 1829.

At a meeting of the Board, held at Mr. Keefer's, Thorold.

PRESENT :

Henry J. Boulton, Esquire, *Vice President.*
George Keefer, and W. H. Merritt, Esquires, } *Directors.*

The annual report was read and approved—200 copies ordered to be printed.

Resolved, That Messrs. Monson and Simpson have their final contract on the marsh continued, and that in consideration of the Company having made an alteration of the work it is ordered, that they be paid 13 cents per yard for the work abandoned, the one-eighth retained to be paid on the canal being finished, and not on completion of the feeder, unless the same is not continued within 12 months thereafter—in that case it is to be paid up.

Mr. Simpson having represented the necessity of cutting an extra ditch to drain the main feeder,

Resolved, That if in the opinion of the Engineer the ditch is necessary, he order it to be done.

J. Martindale delivered proposals to extend the waste weir at harbor.

Resolved, That he be required to submit a statement of the amount of damage for the future consideration of the Board.

6th April, 1829.

At a general meeting of the Stockholders of the Welland Canal Company, held this day, in pursuance of the act of Incorporation for the election of Directors for the year ensuing.

PRESENT :

George Keefer, Esquire,
J. B. Yates, Esquire, and
W. H. Merritt, Esquire.

On close of the ballot the members were as follows:—

The Hon. John Henry Dunn.....104
The Hon. William Allan,.....104
John B. Robinson, Esquire,.....104
Henry J. Boulton, Esquire,.....104
George Keefer, Esquire,.....104

who, with John J. Lefferty and Robert Dickson, Esquires, chosen by the Legislative Assembly, constitue the Board of Directors for the year ensuing.

May 5th, 1829.

At a Meeting of the Board of Directors, held at St. Catharines, this day.

PRESENT:

The Hon. John H. Dunn,	H. J. Boulton, Esq.
John B. Robinson, Esq.	George Keefer, Esq.
John J. Lefferty, Esq.	and Robert Dickson, Esq.

A ballot took place according to law, when the Honorable John Henry Dunn, was elected President, and Henry John Boulton, Esquire, Vice-President, for the ensuing year.

The Board being duly constituted,

The minutes of last meeting were read and confirmed.

The advance made by Mr. Dunn, since the last Board, on account of estimate, amounting to £3143 5s. 6d., was confirmed.

At an adjourned Meeting of the Board, held at St. Catharines,

FRIDAY, *8th May*, 1829.

PRESENT:

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esquire, *Vice-President.*
John B. Robinson,
John J. Lefferty, and
George Keefer, Esquires, } *Directors.*

The President and Directors on the 6th and 7th instant, inspected the Grand River in order to determine upon a proper site for the proposed dam, having found it necessary from the objections advanced by the Naval Department to abandon the further prosecution of the dam near the mouth of the River; after an examination of the banks it appeared to the Directors that it is expedient to construct the dam nearly opposite the limit between Moulton and the Indian lands, and about 4½ miles from the mouth of the River.

The change of situation having been communicated to Mr. Wilkinson, who in Company with Messrs. Monson, Simpson and Pratt, had agreed with the Company to build the dam at the place first selected near the mouth of the river, and it being requested of him to make an offer for constructing the dam in the place now chosen, having examiued it personally in Company with the Directors—Mr. Wilkinson proposes on behalf of himself aud the others above named to undertake it for the sum of £12,500, and to warrant it to stand firm and complete for one year from the time of its being finished.

The Board resolved to accept of the proposal on the condition that Mr. Wilkinson shall in person superintend the work constantly during its progress, and that it shall be completed by the middle of July, or so soon as the feeder from the Grand River to the Deep Dut shall be finished.

The guarantee of the work is understood to extend to the whole of the dam and to the proper and sufficient connexion of the abutments with the embankments. The proposal is founded upon the presumption that the Company shall procure permission for the gravel and sand to be taken from within the mouth of the Grand River.

It is also understood that the contractors shall have the option of making one half of the embankment on the South side of the Grand River upon the estimate of the Company's Engineer, and that whatever earth they may find it necessary to excavate to be used in making roads on the dam shall be allowed on the estimate of the Engineer, if made under his direction, so as to answer for the lockpit or feeder.

A lock is to be constructed in the dam in such place and of such dimensions as the Company's Engineer shall direct upon the same terms in proportion to the dimensions as was allowed to Mr Phelps for the locks last constructed by him—Mr. Phelps to be joined in the contract for the lock.

The contractors having applied to the Company for permission to occupy a site for a saw mill for the term of 10 years, offering to pay for the same at a rent of £18 15s. per annum, and at the end of the term the lessees to have the refusal at a rate to be thus fixed.

The Company will allow the contractors the use of the scows belonging to them until the work is completed.

Mr. David Thompson attended the Board and urged a claim upon the Company for compensation for loss in being obliged to relinquish his contract at the Deep Cut in November last in consequence of the slide which compelled the Company to discontinue the excavation.

He represented that he had then on hand 46 yoke of cattle which have been since in a great measure useless, and other stock which he still retains, and he wishes the Company to take the cattle off his hands.

Resolved, That Mr. Thomson be informed that they decline taking his property—that if he conceives he has any fair claim to urge against the Company for loss on his contract he must prefer the same when the work is finlshed.

Resolved, That the Engineer be directed to proceed immediately to lay out the dam, embankment, and feeder from the Grand River, locating the dam at or near the situation to be pointed out by the Agent (being that which appeared to the Directors to be preferable) unless the Engineer finds some good reason for suggesting an alteration, which he must in that case report immediately to the Board, with an estimate of the probable difference in expense to be occasioned by such alteration—the site for the dam to be approved by Mr. Wilkinson the contractor.

Resolved, That the Engineer be required to survey the land that will be overflowed, describing the quality und quantity of timbered land, together with the names of tho owners and occupiers, and nature of any improvement to be effected.

Resolved, That a circular be sent to every contractor, informing him that the time originally engaged for finishing the feeder be extended to the 1st of June, and that so soon after as his contract is finished and received by the Company he shall be employed with all his hands on another contract at the same price it is already contracted for, and continued thereon till the water is brought through, requiring at the same time that no greater extent of surface be broken up than each contractor can finish to bottom.

Resolved, That the Agent advertise for receiving proposals for excavating the Feeder from the main Canal to the Dam and one half the embankment opposite thereto on 30th instant, the same to be finished by 15th July, the Section to be laid out by the 20th instant and specification ready by the 25th.

Resolved, That Newlove and Porter be allowed to take 3 chains of their job on Canal to bottom.

Resolved, That Robert Campbell be allowed 14 cents per yard for his job at the mouth of the Welland instead of 12, originally contracted for, the excavation proving more difficult than was anticipated.

Resolved, That Mr. Phelps be recommended to advertise for sale by public auction all the Carts, implements, and property belonging to his job at the Deep Cut.

Many applications having been made for compensation for damage, and for land taken by the Canal, &c.

Resolved, That George Keefer, J. J. Lefferty, and Wm. H. Merritt, Esquires, be appointed a Committee with power to negotiate with the several claimants and settle the amount of damage if it should appear to them just and reasonable—if not, such claim to be submitted to the Board.

Resolved, That Messrs. Wilkinson & Co. be advanced £250 on the Dam.

Messrs. Wilkinson & Co. presented an account of expenses incurred in preparing to erect the Dam near the mouth of Grand River, amounting to $454, 50, besides timber and embankment

Resolved, That they be allowed ⅛ the cost of the hay, the quantity to be estimated by the Engineer—$15 for rent of house, and $10 for shanty and blacksmith's shop.

Mr. John Clarke's Letter, requiring further compensation for his services was re-considered.

Resolved, That the Board are of opinion that the compensation awarded to Mr. Clark is ample, and therefore they have not the power to alter their former decision.

Mr. Martindale's claim for compensation—referred to committee appointed for such purposes.

Bell, & Co. applied for extra work, &c.—referred to Mr. Barrett—the House to be allowed them till the Company require it.

Decow's claim referred to committee.

Mr. Yate's letter to be re-considered next Board.

Mr. Barrett's application for increase of salary—deferred till next Board.

Shaver's application referred to committee.

Mittleberger's letter to be re-considered—Engineer to report.

Mr. Cumming's letter referred to Committee.

Resolved, That a letter be written to His Excellency the Lieutenant Governor for leave to take sand from mouth of Grand River.

July 2nd, 1829.

At a meeting of the Board of Directors, held at the Bank of Upper Canada, York.

PRESENT.

The Hon. John H. Dunn, *President.*
Henry J. Boulton, Esq., *Vice President,*
The Hon. William Allan, and
John B. Robinson, Esquire.

The estimate of Engineer of work performed since March 10th was laid before the Board, amounting to £12,465 9s, of which £10,656 15s. 10d. has been advanced, leaving a balance of £1,808 13s. 2d., which was examined and ordered to be paid.

Mr. Merritt exhibited the following statement of the funds—A.

(COPY.)

JULY 2nd.

A. We require on this estimate	£1818	0	0			
and for the present month	1590	0	0			
				£3398	0	0
To meet which, we have—						
In the Bank	2833	16	4			
Draft on Messrs. Bosanquet & Co.	1130	0	0			
				£3963	16	4
Leaving a balance on hand—				£ 565	0	0

On the 1st of August we shall require at least		£6125	
To meet which we have—			
In the Bank	£ 565		
Due in Montreal	380		
Notes on Phelps' sale	2000		
Balance New York & Ellice	78		
New Stock in London	4481		
		7504	
Leaving a balance of		£1379	providing the Bank will advance money on the above.

On 1st September will be required to fulfil engagements on Canal		£6125
Compensation for land due 16th August		1422
		£7547
To meet which—balance as above	£1379	
Security on Carl's Farm	750	
" Vanevery's Farm	250	
" Swaizy's Farm	1,000	
15,000 Acres in Wainfleet, worth £30,000—say	15,000	
		18379
Leaving an additional security of		£10832

In addition to which the mill privileges next year will produce £600—viz :—

Lake Ontario.....	£ 50
G. Adams.....	100
St. Catharines	100
Phelps'.....	50
Keefer's	100
Davis'.....	100
Aqueduct.....	25
Grand River.....	150
	— £625—which

will secure the interest on £10,000 without reference to navigation.

The above does not include the advances agreed to be made by the Canada Company, £6000, and by Ellice & Co. £15,000 = £21,000.

Messrs. Ellice having refused to comply with their agreement, and it appearing doubtful if the Canada Company will fulfil theirs, it was

Resolved, 1st. That the President, Mr. Robinson, and Mr. Merritt, call upon his Excellency the Lieutenant Governor this day, lay the statement before him, and ascertain whether he will guarantee the payment of a loan of £10,000, in case the Canada Company do not fulfil their engagement, in order that no delay may take place in finishing the canal, and that the money be timely provided for fulfilling the engagements of the Company.

Resolved, 2ndly. That the President draw immediately on the Court of Directors of the Canada Company, and accompanying the draft with an explanatory letter stating our present favorable prospect, and request Mr. Allan and Mr. Jones, the Commissioners of the Canada Company in York, to make their observations on the same.

Resolved, 3rdly. That the statement for August be drawn up and submitted to the Bank of Upper Canada to ascertain whether they will make the necessary advances thereon.

Ordered, That the Agent proceed immediately to the Marsh, and place on as many men as can be employed in accordance with the Resolution of 8th May last, with a view of having the same finished by the 1st of September.

August 13th, 1829.

At a Meeting of the Board held this day at Forsyth's Tavern, Niagara Falls.

PRESENT.

The Hon. John H. Dunn, *President*,

George Keefer, and J. J. Lefferty, Esquires. } *Directors.*

The minutes were read and confirmed.

Mr. Clark's letter was taken into consideration—deferred.

Messrs. Wilkinson's do. do. do.

The estimate for July was laid before the Board..... £7068

on which account has been advanced £1500
and a draft was signed for 4000
— 5500

Leaving a balance due of £1568

Mr. Phelps' and Mr. Thomson's application for mill seats at Grand River—deferred.

Mr. Robb applied to purchase a lot of land on the marsh—rejected.

Mr. Dawson's letter 11th June, was read—

Ordered, That a certificate be forthwith sent to Messrs. Bosanquet & Co., and that they be drawn upon for the amount of Mr. Blacou's stock according to the periods mentioned.

Mr. Phelps presented a proposal to build a small lock at the Grand River, including the excavation connected therewith for £225, which was accepted.

Resolved, That the buttments of the bridge at at Chippawa be 40 feet wide.

Resolved, That Carl's Farm be purchased for £625. The President agreed to give a draft to that amount—the deed to be made in his name till he is repaid.

Resolved, That Mr. Proctor's letter be referred to Mr. Yates.

Resolved, That the following letters be considered next Board—Mr. Misener—Mr. Barrett—Mr. Macdonald, and Mr. Mittleberger.

September 24th, 1829.

At a meeting of the Board of Directors, held at Niagara.

PRESENT.

Henry J. Boulton, Esqr. *Vice President.*
George Keefer, J. J. Lefferty, and
Robert Dickson, Esquires.

Many applications having been made for lots of land on Wainfleet Marsh, it was

Resolved, That lots of 50 acres each adjoining the Canal be leased for 5 or 10 years, with the option of the tenant purchasing the land at the expiration of the term at the lowest price which may be fixed on for the whole tract—or to pay him for its improvements.

Resolved, That the mill privileges on the line of the Canal be let for the term of ten years, as under. Grist mills, for each run of stones $100 per annum. Saw mills, for each do. $100 " and other machinery in proportion, and that notices be printed and circulated accordingly.

Resolved, That in order to meet the present expenditure, which is absolutely necessary to let in the water for the purpose of opening the navigation as well as placing the locks and other works in a state of security during the winter, it is expedient to obtain the sum of £10,000, which it is understood by the Directors the Lieutenant Governor will sanction, provided the Directors guarantee His Excellency from all personal responsibility.

It is therefore further *Resotved*, and the President, Directors, and Agent of the Welland Canal Company do hereby agree to save, defend, and bear harmless the Lieutenant Governor of this Province of and from all personal risk or responsibility for making such advance, and do moreover engage to see the said sum of £10,000 repaid within a reasonable time after the Canal is in operation.

22*nd October*, 1829.

At a meeting of the Directors held at Bradley's Hotel, York,

PRESENT:

The Honorable John H. Dunn, *President*,
Henry J. Boulton, Esquire, *Vice-President*.
& the Hon. William Allan.

Resolved, That a Petition be presented to His Excellency the Lient. Governor to bind the Government to become answerable for the Loan of £10,000.

Resolved, That an application be made for a free passage of American Vessels, and that the Collector of Customs be notified thereof.

Resolved, That in order to preserve the banks of the Feeder, the Aqueduct, Towing-path, and other erections on the Canal—By-Laws be drawn up and a scale of tolls be prepared by the next meeting of the Board, and for the purpose of establishing a Turnpike Road.

Resolved, That the Lots of Land on the Marsh in Wainfleet and Humberstone be let for the term of 5 years at the rate of $5 per annum for each Lot of 50 acres.

Resoloed, That notice be given by the Agent that no person or persons be permitted to navigate the Canal at a rate exceeding three miles per hour.

29*th October*, 1829.

At a meeting of the Board of Directors, held at Bradley's Hotel, York,

PRESENT:

The Hon. John H. Dunn, *President*.
H. J. Boulton, Esq. *Vice President*.
& The Hon. William Allan.

It having been represented by the Company's Agent that to ensure a permanent and ample supply of water for all purposes, as well as to effect a perfect Boat navigation it is indispensably necessary to open the Feeder through the marsh to 20 feet bottom and slopes 2 to 1, and having every confidence that sufficient funds will be raised during the winter to pay the expenses thereof, it was

Resolved, That Messrs. Monson, Simpson & Co. be settled with, and their Contract be given up at the next meeting of the Board, and that in the mean time public notice be given that Contracts will be entered into for the above purpose on the 15th November or 1st December next—payments for which will be made by the Company on completion of the work in April next.

Resolved, That the Towing-path on the Niagara River be repaired forthwith so as to answer the immediate purpose of towing thereon.

The Directors (feeling sensible that the Stockholders will not derive all the advantages anticipated on completion of the Welland Canal until it is extended to Lake Erie by the upper route on the original extended scale, which they are not at present able to accomplish with their present funds) conceive it desirable that some person should be despatched to England to make an immediate application to the Home Government for a gratuity or Loan, and to dispose of the Stock on hand, and John B. Yates of New York, Esq., having consented to undertake the mission—it is

Resolved, That the Agent select from the Office such documents and papers as he may deem necessary, and deliver copies of them to Mr. Yates, and that a Report be laid before the Board at their next meeting, together with all such papers as may be thought necessary to furnish Mr. Yates with for the better securing the object of his mission.

The Bank of Upper Canada having loaned the Welland Canal Company £3000 for the purpose of paying off the laborers, and the sum of £7000 more being required to pay off other demands of the Company, the propriety of issuing Bills was taken into consideration. Mr. Yates, one of the principal Stockholders, being present, he was consulted on the subject, who thinks by making them payable at each of the Canal Offices—at St. Catharines, New York, or Montreal—arrangements may be made to establish nearly their full value—it was therefore

Resolved, That Bills of the following description be printed, and submitted to the next meeting of the Board—viz.

£12 10—One year from the date hereof—for value received, the Welland Canal Company promise to pay A. B. or bearer, the sum of Twelve Pounds Ten Shillings, with interest at the rate of six per cent, at either of their offices—St. Catharines, Montreal, or New York, the holder giving 30 days notice to the office when payment may be required, the above being part of a loan of £10,000, authorised by the Board of Directors the 1st day of November, 1829, in witness whereof the said Company have affixed their seal the 1st day of November, 1829.

The Agent was required to furnish Mr. Yates with a copy of the above resolution, and to request he will take the earliest opportunity of furnishing the Board with the result of his application in New York to redeem the bills if required.

The Bank having agreed to lend the Welland Canal Company the sum of £3000 on the President's bond, payable in 12 months.

Resolved, That a bond be executed accordingly.

31*st December*, 1829.

At a Meeting of the Directors, held at the Bank of U. C., York,

PRESENT:

The Honorable John Henry Dunn, *President*,
Henry John Boulton, Esquire, *Vice President*,
& The Hon. William Allan.

The subject of addressing the Home Government was taken into consideration, when it was determined to send anapplication by Mr. Yates for the one—ninth cost of the Canal originally granted to the Company.

Resolved, That a petition be presented to the Legislature of Lower Canada to loan or take stock to the amount of £12,500.

The Annual Report was read, approved, and ordered to be printed, if no objection is made by the absent members.

Resolved, That a bill be drawn upon J. B. Yates, at 90 days, for £500, in favor of the Bank of Upper Canada.

IN THE YEAR 1830.

During this year a very critical examination of the accounts of this corporation was entered into by a committee of the House of Assembly as will be more fully seen by reference to the proceedings & balance sheet, [hereto appended, marked No. 1.]

There was a grant made of £25,000, as will be seen by reference to the Act of Parliament [appended hereto, marked No. 2.] for detailed proceedings—widening route, making towing path on Welland, Niagara, and Grand River—reference is made to the minutes of this year [hereunto appended, mark ed No. 3.]—and also the annual report of the Directors for this year, [appended hereto, marked No. 4.]

The first Commissioner, Robert Randal, Esq., was this year appointed to examine and report on the state of the Canal. The Director of 1835 (Mr. Mackenzie) was a member of Parliament for that year, he was also a member of the committee who signed that report, and examined all the witnesses from the immediate neighbourhood of the canal at the time, most of whom it was supposed entertained feelings or prejudices against the work; he was the individual who actually drew up the report, and had all the books, vouchers, and accounts then before him—if wrong, why not then noticed? or why should he have there placed the following favorable commendation on them?

" Charges of mismanagement having been publicly
" made against individuals connected with the Com
" pany, among others by Mr. Gordon, once the Trea-
" surer, and a relative of Mr. Merritt, and by Mr.
" Clowes, formerly an Engineer on the Canal, your
" Committee were more strict and careful in their
" examination of the books and accounts of the
" Company than they might otherwise have been,
" but although they have met with occasional char-
" ges against the Company, perhaps not so moderate
" in amount as would have been willingly paid by a
" private individual, and although the transactions in
" the books embrace an expenditure of A MILLION
" OF DOLLARS AND UPWARDS, THEY SAW VERY LIT-
" TLE INDEED TO CENSURE."

After all the investigation now made, but one solitary altcration appears on any item contained in that Balance Sheet—the payment to Mr. Phelps of £95 10s. 4d. which has not been satisfactorily accounted for. The letter from Mr. Gordon, Clowes, &c, are also noticed, and the greatest vigilance exercised in consequence. Again the same individual is appointed Secretary to the said Commissioner. He goes over and examines the entire line of Canal with the Commissioner, who quotes the following passage of the Act:—

" As the 13th Section of the Statute requires every minute and particular examination of the Deep Cut to be made in order to ascertain as far as practicable the probability there is of the stability or instability of the Banks;" "also in addition," I have availed myself of the experience of a master carpenter in matters appertaining to his line of business, and obtained the advice and assistance of professional and other persons in whom I could place confidence in all such matters as seemed to me to require counsel and information. A great deal of doubt has been thrown on the stability of the locks, and perhaps some of them may give way—*but I have not had reason to apprehend such casualty from anything which came under my observation.* I examined the locks one by one very carefully as required by the Act, and consider them, *upon the whole*, as *fine a specimen*, both in *design* and *workmanship* as any others which have come under my observation on this continent. I ascertained, by enquiring at the carpenters, that the timber employed has been cut down at a proper period of the year, and not when full of sap—and that it was afterwards seasoned. The Lock gates, however, should be made of sunk oak or timber that has been immersed some time in water, and afterwards thoroughly dried—such timber is difficult to work, but makes a superior job; and it is well known, that Canal lock gates are in Canada exposed to great changes of climate, being, from the duty they perform, neither wet nor dry. Has not the prediction of Robert Randall, Esq., the Commissioner, been verified by the testimony of Mr. Hall, in answer to question No. 133—and of Mr. Keefer in answer to 710, that only two of those locks have ever given way in foundation since the time alluded to.

With respect to Deep Cut, the Committee are referred to the passage under this head, in the Report of the Select Committee above alluded to.

The Committee will see by those documents, that a careful examination of the accounts were entered into in 1830. Mr. Black, the Secretary, was in attendance with the books—every account was at the time strictly examined, and every voucher produced and a favorable Report then made, at a time when every subject was fresh in the recollection of the witnesses, who were, from the immediate neighborhood of the Canal.

They will also see that the Directors of the Welland Canal for 1835, who drew up the Report above referred to for the Committee, also drew up the Report of the Commissioner Robert Randall Esq., who was appointed by this House for the express purpose of examining the Canal, by a special Act of Parliament—and that he was also associated with the Commissioner as an assistant in examining the Canal, as

will be seen by the following item in the Commissioners' account of expenses.

"To W. L. Mackenzie, acting as Secretary to the "Commissioners' and assisting in examining "the Canal, with expenses to 1st of June, "1830.....£34 0 0

In another part of the Report he makes the following remark—

"I heartily concur with Captain Basil Hall in the opinion he has expressed 'that to Mr. Merritt's perseverance and knowledge of the subject, as well as his great personal exertions, this useful work stands mainly indebted for its success' ".

Is it just towards the Directors or managers of that Company, after this rigid investigation by a Commission, to bring them under a second investigation for the same thing at this distant day? If so, are you most likely to arrive at the truth by taking *his statement* at the time he acted in the double capacity of "*Secretary and Assistant in examining the Canal,*" and when he availed himself, as he states, of the advice and assistance of "professional and other persons in whom he could place confidence in all such matters as seemed to require counsel and information"—or at this distant day, when it is apparent other motives and objects are in view.

During this year the navigation was not only imperfect, but the circuitous route by the Niagara River was found so tedious, that one more direct to Lake Erie from the Welland, became, from practical experience so apparent, that Surveys were made during the year, the Reports of which are hereunto appended. Widening the Feeder also greatly increased the expense, and it was deemed necessary to prevail on Mr. Yates to go to England to endeavor to dispose of the Stock returned on the hands of the Company by the Canada Company and others—also to prevail on the British Government to afford further relief. His report to the Company, and his letter to Sir George Murray, with the answer thereto, are appended hereto. [Marked Nos. 5, 6, and 7.]

The want of capital to procure material to convey produce &c. at this period, was likely to render this communication almost useless. Mr. Yates recommended the Company to establish Store Houses and provide the necessary material to draw a portion of the transit, as will be seen by his Report, in which the Board unanimously concurred—and John Clark Esqr. was appointed to superintend this Department. The Report of the Directors will give the general view of the proceedings—and the minutes a detail.

This year the following Directors were appointed by the Government.

John Johnson Lefferty, and
Robert Randal, Esquires.

And by the private stockholders—

The Hon. John Henry Dunn,
The Hon. William Allan,
Henry John Boulton, Esquire,
Alexander Yates McDonell, Esquire, and
William Hamilton Merritt, Esquire.

Documents referred to in the foregoing remarks.

Report of Select Committee of House of Assembly, of 2nd Session of the 11th Parliament, with balance sheet, &c. ..... Marked No. 1.
Act of Parliament—11 Geo. 4, chap 11,..... " No. 2.
Minutes of 1830, ... " No. 3.
Report of Directors, ... " No. 4.
Report, &c. of Robert Randall, Esq., Welland Canal Commissioner, with estimates, &c. of George Keefer, Jun., Esq. Civil Engineer, " No. 5.
Mr. Yates' Report to the Board of Directors, ... " No. 6.
Mr. Yates' letter to the Right Honorable Sir George Murray, with answer thereto by the Right Hon. R. W. Hay,..... " No. 7

No. 1.

REPORTS OF A SELECT COMMITTEE OF HOUSE OF ASSEMBLY OF 2nd SESSION 10th PARLIAMENT, ON WELLAND CANAL, WITH BALANCE SHEET, &c. &c.

THE SELECT COMMITTEE *appointed to inquire into the management and expenditure of the Welland and Burlington Canals; and to report their observations to the House; have examined the matters to them referred, so far as respects the Welland Canal, and have agreed to the following Report thereupon.*

YOUR Committee began their investigation into the condition and management of the Welland Canal, by examining the several acts of the Provincial Parliament relating thereto; the Reports of Select Committees of former sessions; and the evidence on which these reports were founded.

Your Committee then proceeded to examine the Books of the Company, which were submitted to their inspection by Mr. Black the Secretary, and to investigate as far as was in their power the various statements of Canal resources and expenditure, which were laid before them by the Directors.

Your Committee obtained the testimony of Mr. Randal, Mr. Woodruff, Mr. Terry, Doctor Lefferty and Mr. Dickson,—all of them members of Your Honorable House, from the District through which the Welland Canal passes, and the two last named gentlemen being the Directors appointed by Your Honorable House, during its last session; they also examined Mr. Merritt the Agent, and Mr. Black the Secretary of the Company; Mr. Hamilton, an extensive land proprietor & ship-owner at Queenston, Lieutenant Wilkinson, a member of the House and who acted as an Engineer on the Canal, Mr. Monson, of St. Catharines, Mr. Whittlesey, of Ohio, and Mr. Marshall Lewis, an architect, who has been employed by the Company. It appears by the Statutes of 1824, that in January of that Year, the Welland Canal Company obtained an Act of Incorporation upon the Petition of Mr. Merritt, the present superintendent, with others his associates. Their capital stock was limited to £40,000; their shares were to be £12 10s. each; the navigation was to be for boats

only of less than 40 tons burthen, with a rail road to descend the mountain, and at the end of 30 years the King was empowered to assume the property of the Canal, on paying to the Stockholders the amount of their shares, and a premium of 25 per cent.

The province was not required to loan any money towards the work nor to purchase any of its capital Stock, it being understood that it would be speedily completed by private enterprise.

It is worthy of remark, that in this outset of the work, the superintendant estimated the probable expense, including the railway, at a sum under £10,000.

In the month of August, 1824, the Board of Directors, employed Mr. Hall and Mr. Clowes, British Engineers, and Mr. Roberts from the United States, to survey the line of Canal and report the best route; these Engineers estimated the cost of a Boat Canal at from 15 to £23,000 only; and Mr. Hall remarked that the general dimensions of this Canal may be "afterwards" enlarged in sections "from an increased facility of boating stuff, stone, timber, &c., at less expense than by proceeding in the first place to execute a commensurate Schooner navigation."

In 1825, the Directors of the Welland Canal applied to the Legislature for authority to amend their charter, and on the 25th day of February, in that year, a resolution passed the House of Assembly, by a vote of 28 to 4, declaring it was expedient to increase their capital, to prescribe the place of commencement and termination of the Canal, and its dimensions and depth, and to take stock in the name of the province to the amount of £25,000. In April, that year, an act passed the Legislature increasing the Company's Stock to £200,000, in 16,000 shares of $50 each, authorising the extension of the Canal for the purposes of Sloop navigation; and appointing the Bank of Upper Canada, Treasurer to the Company.

In January, 1826, two acts were passed relative to the Welland Canal; the first to meet several unforeseen difficulties in regard to private property and the line of Canal; and the second, to authorise the government to add £25,000 to the public debt, and to loan that sum to the Company for 3 years at interest. The Receiver General being required to take from the Company a bond to be made out in the manner and form he might "think most safe and proper." A Committee of the House of Assembly, were at this period, of opinion "that the remainder of the Company's stock would be taken up in England, and that the whole Canal would be completed early in the summer of 1827, for a sum within the amount heretofore estimated," [£180,000] nearly. And the President and Directors in their petition of date Nov. 12th, 1825, declare themselves "sanguine that its entire completion may be expected by the spring of 1827." The House of Assembly voted the loan by a majority of 21 to 12.

In the spring of 1827, however the sanguine expectations of the Directors were not destined to be fulfilled; for the stock was not taken in London; a variety of unforeseen and untoward circumstances "had occurred; and they deemed it necessary to solicit the Province to become partner in the Canal to the amount of £50,000.—A Select Committee of the House of Assembly reported favorably to their views, because (among other reasons) they (the committee) conceived, after examining 17 witnesses, that from the moment the stock would be so taken, "the completion of the entire line of Canal" would be "placed beyond a question." In the House of Assembly the vote was very close, being 18 to 20, after a motion to reduce the sum to £25,000 had failed, by 11 to 26. In his evidence that year, Doctor Lefferty declared, that the Canal could not be completed for less than £300,000, the sum to which the Directors are now desirous to augment their capital stock.

As the Province had to borrow the £50,000, it was provided in the stock bill, that the Company shall pay interest on it until one year after the completion of the Canal; a provision which they have lately discontinued to comply with, although a bond has been given for its punctual fulfilment in the penal sum of £20,000.

Early in the year 1827, the Legislature of Lower Canada subscribed for Stock in the Welland Canal to the amount of £25,000, thereby manifesting a degree of solicitude for the prosperity and welfare of their sister Province, highly honorable and deserving of remembrance.

In the summer of 1828, Mr. Merritt visited England in the capacity of Agent for the Company, and obtained from His Majesty's Government, for 10 years, a Loan of £50,000 Sterling, towards completing the work, at the low rate of 4 per cent interest. He also was enabled to sell a number of Shares of Stock to private individuals.

"The disastrous slips at the Deep Cut," observes Mr. Geddes the Engineer, in his report of December 27th 1828, "present a certainty of expense in attempting to remove them, and great uncertainty as to the successful operation of any remedy proposed"—these slides obliged the Directors to adopt new plans and doubtless delayed materially the completion of the Canal. They had expended £60,000 "during the last season," according to their Report published in January 1829; and would still require £54,662 to complete the undertaking. They here acknowledge that "it seems that there is and must be in great undertakings of this description a precariousness against which neither sagacity nor experience can always effectually guard.

On the 20th March 1829, an Act was passed authorising the Company to assign the Welland Canal and the tolls and profits thereof, and all the funds, property and effects of the Company to an Agent of the Imperial Government, as a security of the principal and interest of the Loan of £50000 sterling, made to the Company in the year 1828. The same Act which authorised the Directors to borrow money to complete the Canal, and to refer certain disputes to Arbitration, incorporated a Company to make a lateral cut to Niagara, altered the Law relative to Directors of the Welland Canal Company, and required the President and Directors to lay an account in detail every year before the Legislature of their receipts and expenditure.

In June last the Directors addressed to the Stockholders an extra Report, in which, after adverting to Newspaper misrepresentation, they proceed to describe, at great length, the state and progress of the

work, bearing testimony "to the indefatigable exertions and judicious conduct of Mr. Merritt," as the Company's Agent; and expressing their continued confidence "in the ability of the Engineer, Mr. Barrett."

Towards the conclusion of this interesting Report they complain that "it has been their mortification "hitherto to find that while with the greater proportion of strangers who visit this Province, the Welland Canal seems to possess a particular interest, "the inhabitants of Upper Canada, in general, appear "to have the most imperfect ideas of the stupendous "nature of this great undertaking, the rapid strides "by which it is advancing to its consummation, and "the immense advantages to themselves and to their "country, which must inevitably follow the successful "termination of a work that it is probable will be "thought hereafter to reflect some degree of credit "upon those by whose encouragement and exertions "it has been supported."

Your Committee have now arrived at the last report made by the Board of Directors, which has been given in evidence, and is appended hereto. It contains the very satisfactory intelligence that a schooner of 85 tons burthen, in company with a smaller vessel, passed between Lakes Ontario and Erie through the Welland Canal in the month of November last; thus at least demonstrating the stability of the locks and the near approach of the Canal towards completion.

By this report it will be seen that vessels drawing 7½ feet water, and not having more than 21½ feet breadth of beam, coming from any ports on Lakes Erie or Huron with produce, may sail down the River Niagara, and from thence by a canal at Chippawa, enter the Welland and pursue their voyage through the canal to Lake Ontario; the distance of artificial navigation being 16½ miles, and the number of locks 34.

It will be seen on a reference to the report of the Attorney General, that he is of opinion that the United States vessels may avail themselves of the great advantages expected to be derived from the Canal.

Charges of mismanagement having been publicly made against individuals connected with the Company, among others by Mr. Gordon, once the Treasurer, and a relative of Mr. Merritt; and by Mr. Clowes, formerly an Engineer on the Canal, your Committee were more strict and careful in their examination of the books and accounts of the Company than they might otherwise have been, but although they met with occasional charges against the Company, perhaps not so moderate in amount as would have been willingly paid by a private individual; and although the transactions in the books embrace an expenditure of a million of dollars and upwards, they saw very little indeed to censure.

Although your Committee spent much of their time examining the books, and found no error of moment, they are, nevertheless, aware that the important questions whether accuracy of measurement and impartiality in giving out contracts have been attended to in all such great undertakings, cannot be solved by the Legislature, but will depend upon the capability, patriotism, and fidelity of the Directors, Agents, Engineers, and other persons employed in the superintendence.

The accounts of the Company are kept according to a system laid down by Mr. Wenham, the Bank Accountant, by which, instead of being balanced annually or semi-annually, they are left open until the several sections of the canal shall be completed, a mode of book-keeping which, however convenient it may be to the Directors, does not render their task of inspection the more easy.

Appended hereto, [and marked A], is the Company's balance sheet, exhibiting the receipts and expenditures, with an abstract; also a statement of the contingencies [marked B.]

The only bad debt by which theCompany has sustained loss is a sum of £3,428, lost in consequence of the failure of a Mr. Proctor in New York, who had acted as their agent.

The Company have already paid £4,583 12s. 11d. for real estate near the Canal, and for awards to individuals whose property has been used in its construction.

The Lower Canada Stockholders have paid in £12,825.—The New York Stockholders have paid £72,500.—The Upper Canada Stockholders have paid £2,462 18s.—And the New Brunswick Stockholders £500.

It appears that on a part of the loan from England the Bank only allowed a premium of 8 per cent, although the rate of Exchange was higher at New York at the time the bills were sold, while drafts on that city bore a premium here—nor has the Bank allowed the Company any premium on the instalments paid in New York, in Current money, by the Stockholders.

The sum of £600 and upwards has been paid by the Company in duties on the importation of tools, cattle and materials from the United States.

The expense incurred in excavating the Deep Cut was £86,223 8s. 5d. The cost of the harbor at Port Dalhousie, was £10,264 including the embankment.

The sum estimated as likely to be awarded to the Indians and other persons for damage done at the Grand River and elsewhere, is about £2,000.

The most pressing debts stated by the Agent to be due by the Company, and into the nature and extent of which Your Committee only made that partial enquiry which circumstances permitted—amount to £15,000, including unpaid awards, monies borrowed, contracts performed and labor done.

From an examination of the Company's balance sheet, Your Committee find that £179,514 12s, 6d., of capital stock has been paid in—that £55,555 11s. 2d., is due the Home Government—that £6448 8s. 10d., has been realised in premiums on exchange on London—and that £25,000, with interest, is due the Province, the expenditure amounts to £269,202 11s. 10d., of which £239,633 3s. 6d., is for estimates—£4,444 4s. 11d., for Engineers—£2,138 for salaries—£8,803 17s. 8d., for interest and duties—£4,780 9s. 9d , for certain contingencies, of which a detailed statement will be found in a document appended to this Report. [Marked B.]

On referring to the last report of the Board of Directors, we find that their expenditure is there declared to be £272,795, making a difference of about

£3,000, and for which the Secretary has promised to afford an explanation.—The Directors propose in their report, dated 31st December last, to admit produce upon the Canal for the ensuing year at very moderate rates of toll—a policy of which Your Committee approve, and which they consider likely to prove advantageous both to the Stockholders and the merchant.

With regard to the future management of the Welland Canal, Your Committee would respectfully submit, that in their opinion it is a work likely to become, ere long of vast importance to the trade and commerce of this country; being a ship navigation it will enable schooners to carry their cargoes from the most distant extremity of Lakes Huron or Erie to the Town of Prescott, on the River St. Lawrence, and from thence to Quebec or Halifax, after the navigation of the St. Lawrence shall have been improved. It will facilitate the conveyance of immense quantities of United States' produce to a British market. It will greatly improve the Western section of the province, and give confidence to settlers of capital and enterprise to purchase lands and make settlements therein; it will form the grand connecting link between the most distant parts of Upper Canada, bringing them nearer to oach other for the purposes of commerce, axd affording a stimulus to their growing industry; it will aid the manufacturing and shipping interests of Great Britain by extending the demand for her merchandise and manufactures; it will admit of being afterwards enlarged in sections to the size of the largest British ship Canals, upon the principle stated by Mr. Hall, whenever the increased wealth and commerce of the country require the alteration; and it will open the navigation into Lake Ontario, at a much earlier period of the year than that at which the Erie Canal is free from ice.

The 13,000 acres of Land, in Wainfleet and Humberstone, owned by the Company, and their Farms, three or four in number, on the line of the Canal, will every year become more valuable.

The water privileges owned by them will soon produce a handsome annual income. One of the witnesses estimated the hydraulic advantages at £1500 a year; another said they could spare water enough to turn 50 mills. Mr. Lewis, the Architect, considers that the water power may be increased to a very great extent indeed.

Should the House decline to offer further aid towards the Canal, it is the opinion of the Agent, as well as of several other witnesses, that it will not be in a perfect state of Schooner navigation next Spring, and it seems to be the general sentiment that the work already performed will receive material injury, if allowed to remain in its present state. A number of persons who have demands upon it for services rendered, or property made use of, would be greatly embarrassed and distressed, were the payment of their just debts withheld; and the advantages of the navigation would be altogether lost, were the work suffered to languish for want of funds.

Your Committee requested from Mr. Merritt a copy of the correspondence which had passed between him and the British Ministry on the subject of the £50,000 Loan, together with a copy of the Act of the Imperial Parliament authorising that Loan; but these documents he had left at St. Catharines.—His explanation of the circumstances which had induced him, on behalf of the Company, to relinquish a sum, the equivalent of one ninth of the cost of the Canal, which the British Government had agreed to pay towards its completion, will be found in the minutes of evidence hereto annexed. Mr. Merritt is understood to have had a power of Attorney from the Board of Directors to act for them in England; but it appears to your Committee not a little extraordinary that the Lords of the Treasury should have refused to loan £50,000, at 4 per cent interest, to an undertaking of such great national importance as the Welland Canal, upon terms less unfavourable, than such as involved the relinquishment of a sum, guaranteed to the Company by a solemn Act of the Legislature now in force in this Province, [or from £15,000 to £30,000] and also an actual surrender of the Canal itself, with its tolls and profits, into the hands of an Agent of the Government by way of security; and in preference to Stockholders who had at that time expended £150,000 upon the work, and who were also about to expend upon it the £50,000 then borrowed.—Mr. Merritt's statement is, that the Chancellor of the Exchequer offered to give £27,000 towards the Canal, or to lend the Company £50,000 and that they accepted the Loan, "our necessities" says Mr. Merritt, "compelled us to forego the offered grant of £27,000, and to accept the Loan of "£50,000; but we still expect to get the £27,000."

As the important question, whether a further sum should be granted in aid of the Welland Canal, and, if so, what sum should be given, and under what circumstances a grant ought to be made, will come more immediately under the notice of the Select Committee appointed to consider and report upon the Petition of the President and Directors, praying for aid, your Committee have reported the evidence, taken before them on the subject without expressing an opinion as to the measures which may be deemed expedient hereafter to adopt.

All which is respectfully submitted.

AMB. BLACKLOCK, *Chairman.*
GEORGE LONGLEY,
CALEB HOPKINS,
WW. WOODRUFE,
WM. L. MCKENZIE. } *Members of Commmittee.*

Committee Room,
Commons House of Assembly, January 22nd 1830.

APPENDIX TO FOREGOING REPORT.

MINUTES OF EVIDENCE.

COMMITTEE ROOM,
HOUSE OF ASSEMBLY,
Friday, Jan. 15th, 1830.

Committee met.

PRESENT.

Ambrose Blacklock, Esq.
Caleb Hopkins, Esq.
W. L. Mackenzie, Esq.
George Lhugley, Esq. and
William Woodruff, Esq,

DOCTOR BLACKLOCK, *in the chair.*

JAMES BLACK, ESQUIRE, *called in and examined.*

You are Secretary to the Welland Canal Company, are you not?—I am.

Can you furnish this Committee with an account of the receipts and expenditures of the Welland Canal up to this date?—I produce the same. [See paper marked A.]

Can you furnish this Committee with a statement in detail of the Company's contingent expenses?—I have prepared such a statement in regard to the contingencies, and now produce the same—the other items are to be found in the estimate Book. [*The witness here handed in the paper marked* B.]

Upon what principle did the Bank of Upper Canada charge one half per cent upon £3,000, remitted by them to New York, on the 12th Nov., 1828?—It was a customary charge.

What losses have the Company sustained by bad debts?—We have lost £3,428, by the failure of T. Proctor, in New York—I know of no other loss.

What is the amount paid by the Company for real estate near the Canal, and for awards to individuals whose property has been used in its construction?—£4583 12s. 11d.

WILLIAM HAMILTON MERRITT, ESQUIRE, *called in and examined.*

What capacity are you in with the Welland Canal Company?—I am agent.

What sum has been subscribed and paid by the New York Stockholders in New York to the Welland Canal?—£71,495.

In what manner did they pay this amount?—By instalments in current money of the City of New York, to Yates and McIntyre, the agents to the Welland Canal Company.

Did the Bank allow any premium to the Company on the New York money?—None.

Did the Bank advance money to the Directors without a charge in anticipation of the New York instalments becoming due?—Yes—the Board called in an instalment monthly, as the work required, and drew bills generally through the Bank, at 30 days sight, and perhaps 60. I conceive the Bank were the gainers of the difference of exchange, as it never was allowed the Welland Canal Company.

What premium was obtained upon the £50,000, loaned from England, and upon the other monies obtained from thence?—On £7,500, eight per cent—on £22,500, eightand a half per cent—on £3,700, nine per cent—on £20,000, nine and three quarters per cent—and on £10,200, ten per cent.

At what period did the Bank allow the Company the eight per cent on £7500?—In August, 1829.

When was the sum of £22,500, sold to the Bank at the eight and a half per cent?—The Bank had had that money in their hands from November, 1828, which was the period at which the Company drew the money, lent them by the British Government. The bank credited the Company with the premium in March, 1829.

To whom were the Drafts sold?—All of them to the Bank of Upper Canada.

Has the Bank of Upper Canada, acting as Treasurer for the Welland Canal Company, conferred any advantage on the Company?—I think it has conferred no advantage.

What amount of duties has been paid by the Canal Company on importation of tools, cattle, and materials from the United States?—£631 19 2.

Can you lay before this Committee the Contract or Contracts originally entered into with Mr. Oliver Phelps, for excavating the Deep Cut; with such additional agreements as may have been since entered into with him relative to that undertaking?

We could do so by sending to Saint Catharines.

Do you record in your day-book or waste book, all Contracts made with persons who agree to do work upon the Canal; that is, the rates per yard, or per 100, or as the case may be?

We merely preserve the original Contracts as matters of reference, acquainting the Engineer of their contents, for his guidance in the estimates, in the superintendance of the work.

What has been the expense incurred in excavating the Deep Cut?

£86,223 8s. 5.

What have the Company paid on the average for the Locks up the mountain?

About three thousand dollars each.

Does not the damming up of the twelve mile creek below Saint Catharines, render the neighbourhood unhealthy?

It has made it much more healthy.

What has been the cost of the Aqueduct you have thrown across the Welland?

£1,575.

Of what materials is it constructed?

Of wood.

What was the cost of the Grand River Dam?

Twelve thousand five hundred dollars.

What was the expense of the embankment on the opposite side?

About three thousand dollars.

What sums do you expect to pay to the Indians, and private persons, for property taken for Canal uses, or overflowed on the Grand River and elsewhere?

About two thousand pounds.

Has the last year's interest on the Provincial Loan to this Government, been paid by the Company?

It has not.

What landed property is there belonging to the Company?

13,000 acres in Humberstone and Wainfleet, and three or four valuable farms on the line of the Canal.

What may be the value of the water privileges owned by the Company?

Within two years they will bring us £1,500 a year.

Did not the British Government agree to pay towards the completion of the Welland Canal, £16,000 on certain conditions?

They did.

What were the conditions?

They agreed to do so on condition of the passage of a Law exempting the King's stores from toll, and making the Locks 22 feet wide, which has been done.

Why then have you not had the money?

On the application for a Loan of £50,000 from the British Government, the Chancellor of the Exchequer proposed either to give us £27,000 sterling, payable as follows: £10,000 the first year, and £17,000 the next, or to Loan us £50,000. Our necessities compelled us to forego the offered grant of £27,000 and to accept the Loan of £50,000; but we still expect to get the £27,000.

What is the amount of the Stock subscribed in Quebec and Montreal, the instalments on which were paid into the Lower Canada Banks—including the Government Stock?

Thirty-seven thousand eight hundred pounds.

Did Mr. William Walker, the Agent at Quebec, charge a half per cent for merely receiving £25,000 from the Government, and paying it into the Bank?

He did—he charged £169 16s. 2d. on the whole of the transactions, besides contingencies, being 1½ per cent premium on the private Stock, and one half on the Government Stock.

Did any charge, of agency or per centage, take place in London, in lifting the Loan of £50,000 from the Treasury to the Bankers?

None whatever.

Did the Bank of Upper Canada allow you a premium on these Lower Canada monies?

No.

What was the amount of contingencies charged by Mr. Walker, in the Quebec transactions?

Thirty five pounds sixteen shillings and nine pence.

What did Messrs. Ellice & Co. of London, charge the Company as contingencies on the £50,000 loan?

Only the stamps they paid, amounting to £2 12 9.

What charge did the Montreal agent, Mr. George Davies make?

A corresponding one to that made by Mr. Walker.

What sum did the Harbour at Port Dalhousie cost?

£10,264, including the embankment, Lake Lock, and a part of Section 34.

What is the amount of debts due by the Company?

£15,000, including unpaid awards, monies borrowed, Contracts performed, and labour done.

In case you fail in obtaining a further Loan will the Canal be navigable in the Spring, between the two Lakes?

It will not be in a perfect state for Schooner navigation.

Are the Stockholders in New York perfectly willing that an Act should be passed here increasing the Company's capital?

They have not been consulted, but I see no injury that can arise from the measure, which would certainly place us out of debt, when the Stock was sold.

Can you furnish this Committee with a copy of the annual Report of the Board of Directors, for the last year?

I produce the same (see appendix C.)

What is your practice in regard to sales and leases of the Company's lands or water privileges?

We sell none, but grant leases for ten years: after which the Stockholders will be better able to determine as to the manner of disposing of them.

How many Engineers do you now employ?

One principal and two assistants, who have an annual income of about £800, but they will not be much longer wanted.

When will the Feeder be so widened as to admit of a perfect Boat navigation, between the Welland and the Grand River?

By the first of April, the hands are now working on credit.

Do they accomplish as much work as if they had their daily pay?

The work is not done so low as if regular payments were made—but the men have worked as faithfully as could possibly have been expected.

COMMITTEE ROOM,
Saturday, January 16th, 1830.

PRESENT.

Amb. Blackloek, Esq. *Chairman.*
Messrs. Mackenzie,
Woodruff,
Hopkins, and
Longley.

JAMES BLACK, ESQUIRE, *again called in and Examined.*

Who are the principal creditors of the Company, amongst the Contractors?

Phelps and Co. who have finished the new Feeder—Monson & Co. who have finished nine miles of Marsh—Donaldson, Davis & Ce. on the Marsh and Deep Cut—and perhaps forty or fifty other persons who have demands for smaller sums, being balances on their estimates.

How do you make up the sum of £5,352 1s. 6d. in the annual report of last year as being due to individuals for lands, damages, &c?

By the amount of awards to Carl, Burger, Silverthorn and others; and the loans in statement, together with the Grand River claims.

Have you any other information to submit to the Committee?

I am desirous to submit an extract from a Letter I have just received from Cleveland, on the Ohio, relative to the quantity of produce likely to pass the Welland Canal from that place. (Here the witness handed in the paper marked E.)

ROBERT RANDALL, ESQUIRE, *one of the Members of the House of Assembly for the District of Niagara, called in and examined.*

Are you personally acquainted with the state of the whole line of Canal? No.

The Committee understand that you were a passenger in one of the Vessels that passed through the Canal, on a part of the route, and would wish such information respecting its condition as your personal observation may have suggested? I was a passenger on board of one of the Vessels of 85 tons burthen, and my impression was, that the Canal admitted the vessels with much despatch; it took about seven minutes on the average to pass a Lock. As to the permanency of the Locks, I am not a sufficient judge to form an opinion, but my impression was favorable. The whole of the excavation of the Canal, as far as I am able to judge, is good and permanent.

Do you know of any accident happening to the Canal, or any part having given way, of late?—No; not any knowledge personally.

Are there frequent complaints in the District, respecting the conduct of Directors in taking or using the property of individuals for the uses of the Canal, and not paying them for the same?—I have heard complaints of those, through whose lands the Canal passed, that they were not satisfied for the same, though I have not heard of late; not since the Arbitrators settled the damages sustained by the inhabitants.

How long have you resided in the Niagara District?—Upwards of thirty years.

What advantages may be expected to be derived from the Welland Canal when completed?—I think the benefits that will be derived from connecting the waters of the two great lakes Erie and Ontario, will afford a most important advantage to the import and export trade, to and from the Western section of this Province, as well as that part of the American territory connected with the waters of Lake Erie.

What advantages will accrue to the agriculturalists, on Lake Erie?—It will give an easy and safe transport to the productions of the country, and in floating of their timber for market.

Is the canal becoming more popular in the Niagara District?—Sinee it has got into its present progress and state, I think it is.

Do you think that when the Canal is completed it will tend to increase the settlements on the lakes Erie, Huron &c.?—I think it will. It will tend no doubt, to promote the agriculturalists' interest over a territory having an uniterrupted inland navigation of upwards of 2,000 miles.

JOHN J. LEFFERTY, *Esquire, Member of Assembly for the District of Niagara, called in and examined.*

What has been the management of the canal, since you have been a member of the board of Directors?—I tnink it has been correct and good.

What is the present state of the Canal, from your personal observation?—I am of opinion that the Canal may be finished early in the spring, so as to admit of vessels, of at least 7½ feet of water passing from lake to lake.

Do you consider the work done of a permanent character?—I think there are two or three of the locks will need considerable repair, and that some of them will not be permanent, but they have already surpassed my expectation; the excavation I am no judge of, but there have been no slips lately not since the water has been let in.

Have you any idea what sum of money will be required to complete the navigation of the Canal?—I am of opinion that if the Canal shall be completed up to lake Erie, via the sugar loaf Settlement, it will be of far greater advantage to the country, than if it were to be finished only to the Welland River, there would be no locks on the direct line from the Welland to Lake Erie below the Sugar loaf Settlement, and the voyage will be shortened at least forty-four miles. The probable cost of completing the Canal to the Welland, I am not able to say, but if it is left in its present state, even for another year, what has already been done will gradually go into decay, and the navigation cannot be kept open. If it is ever to be finished, it ought to be completed immediately.

As a Director you have no doubt made full enquiry into the expenditures, mode of taking contracts and other matters connected with the monied transactions of the Canal. Are you satisfied that its monied matters are prudently conducted?—I dislike the system on which contracts have been given out—too large contracts are given out to one individual. That individual lets them out in similar sections to subcontractors, and these often wrong their workmen. I think that no larger section should be given to a man than he can personally superintend, and give security for. By the present system the principal contractor lets out jobs to others at a lower price than his own estimate, and these sub-contractors frequently run away with the money. The Company are not the losers; their contracts have been done low, but the poor labouring men have suffered greatly.

Are you of opinion that the Canal stock will be profitable?—Think that it will not.

JOHN A. WILKINSON, ESQ., (a member of the House of Assembly) *called in and examined.*

The committee understood that you have personal knowledge of the present state of the whole route of the Welland Canal, and are desirous to learn your opinion as to its condition, and also regarding the probable expenditure, which you suppose would be necessary to make it navigable?—I was employed as an Engineer by the Welland Canal Company for six months, last summer; I had therefore an oppor-

tunity of being acquainted with the Canal generally, and I consider the state of the excavation between Port Dalhousie and the River Welland to be good and permanent. As far as wooden locks can be made permanent, I consider these locks to bear that character. Perhaps they will have to be repaired, at least that part above water, once in eight years; two of the locks have bent or sided in a little, perhaps 5 or 6 inches, which may have been occasioned by exposure to the weather before the water was let into the Canal. To complete the whole route and render it navigable to Lake Erie, by the internal route, I presume that an additional expenditure of thirty or forty thousand pounds would be required.

What advantages does your section of the country expect to derive from the Welland Canal, after it shall be completed?—The lands on Lakes Erie and Huron would be very much increased in value; we could then afford to send staves, lumber and other weighty articles to market.—Our tobacco is a very bulky article; by the operations of this canal, the farmer will be enabled to send it to market at less expense—by greater quantity—and in better condition. The damage and trouble of trans-shipments, and land carriage of goods and produce would be avoided. In short, it would be the making of the Western Country.

Do you consider that the Canal will, ere long, be profitable to the Stockholders?—Not immediately; but ultimately I think the stock will be very profitable.

Should the canal remain for a season, or two, in its present unfinished state, what would be the consequence to the work, and to your section of the Province?—If the canal is allowed to remain long in its present state, what has been left unfinished will be liable to sustain great injury; and even the finished parts will suffer.—The inhabitants of the Western country would be much dispirited and disheartened; and property would suffer a consequent depreciation.

Will the hydraulic advantages of the canal be of much value to the Company?—Certainly, and to the country also.

Will the internal route, when completed, be open earlier in the Spring, than the grand Erie Canal?—It will be open about six weeks earlier, because the lake contracts below Sugar Loaf Point, and the Westerly winds prevailing in the lakes, force all the ice down towards Buffalo, where it remains until it is is either dissolved by the Sun, or gradually floated down the River.

William Woodruff, Esquire, one of the Members of Assembly for the Niagara District, and a member of this Committe, *examined.*

What is your opinion of the Welland Canal?—My opinion is, that it will ultimately succeed, if means can be found to carry it on. The works stand very well, much better than I had expected; I think it will not materially benefit the Niagara District, except in respect to water power for machinery. It will injure the frontier as much as it will benefit the line of canal; but I believe it will prove of material advantage to the upper parts of this Province, perhaps more so than is to be now anticipated. I think, however, that its advantages would have been much greater to the country in general, had it been located in the interior.

Was the management of the Directors, in your opinion, prudent in respect to the Deep Cut, previous to the slides which took place in 1828?—I know of no mismanagement on the part of the Directors in monied matters, but I think they were too careless, in not having bored in different places of the line of canal, especially in such a place as the Deep Cut, to ascertain whether there was a rocky bottom or quicksand.

Mr. Horatio Nelson Monson, Merchant of St. Catharines, *called in and examined.*

Are you a Contractor on the Welland Canal?—I am.

Do you consider the estimates at which the Company have contracted for the excavation, in general, as being fair towards the public?—In eight cases out of ten the Contractors have been losers, often to a considerable amount.

Is the work already done of a stable and permanent character?—I should consider it so.

What advantages do you expect to be derived from the Welland Cunal, after it shall have been completed?—I should imagine that the inhabitants on the North shore of Lake Erie, would be materially benefitted, as they would obtain an easier conveyance to market. To the people on the South shores of the lake the advantages must also be very great as they will then have a choice of markets.

Are you a Stockholder of the Welland Canal?—I am not.

Do you consider that its stock will be valuable in a short time?—I have no doubt but that it will pay for itself in thirty years.

Mr. Frederick Whittlesey, Councillor at Law, Elyria, Ohio, *called in and examined.*

Do you think that when the Welland Canal shall be completed, the produce of the Western Country, especially of Ohio, will pass down to New York through it on cheaper terms than if carried on the Erie Canal?—I think it would, if allowed to pass through the Welland, on the terms stated in the last report of the Directors.

What quantity of produce do you expect to bring down through the canal, from your side?—I cannot form a correct statement, but it would undoubtedly be very great. We hope that the Welland Canal will give us a choice of markets. Six thousand barrels of Pork are expected to pass through the Welland next Spring from one or two houses in Cleveland, (Ohio,) alone, for the Newfoundland fisheries, besides what may be forwarded by other establishments.

ROBERT DICKSON, ESQUIRE, *a Member of the House of Assembly, called in and examined.*

What has been the management of the Welland Canal since you have been a Member of the Board of Directors?—As far as my information has gone, I have seen nothing to condemn in its management, either before I came a Director, or since.

Are its monied transactions prudently conducted?—Since I have been a Director, they have been conducted to my satisfaction.

What is your opinion as to the advantages hereafter to be derived to the Province from the Welland Canal, or side cut to Niagara, when these shall have been completed?—As respects the utility of the Welland Canal to the country generally, I anticipate great and incalculable advantages from it. But the Western and Niagara Districts will most materially benefit after its completion. I never did, nor can I bring myself now to believe that the individuals, or Government, as Stockholders, ever will realize one per cent from the enterprise. I look to the Town of Niagara as likely to derive great advantages by getting the water there for hydraulic or other purposes, and also in the transport of articles, we (of Niagara) might require from the interior.

MR. MARSHALL LEWIS, *Architect, called in and examined.*

The Committee understand that your personal knowledge of the Welland Canal, its present condition, and the probable stability of its excavation, Locks, Aqueducts, Harbours, and embankments, is extensive, and are desirous to learn your opinion on these subjects?—As far as I have a knowledge of the Canal, I think the work has been well done, and that it will be permanent. I have been employed in the building of its Locks, Waste-wears, Aqueducts and Bridges. I planned all these and also executed part of the Contracts. I believe that the Locks, Bridges, Aqueducts and other wastes, principally of wood, will last from twelve to fifteen years, and that so much of the Locks and other wood work, as are under water, will last much longer. I think the Locks have been well proved, and that there is not the least danger of their giving way. They will want repairs from time to time, but, if duly attended to, will answer well. The excavation will stand well. The Deep Cut is now considered safe. The Harbour at Port Dalhousie, as far as it is done, is likely to be permanent and prove satisfactory.

What value do you attach to the hydraulic advantages owned by the Company?—I cannot now ascertain their value, but it must assuredly be very great, and they can be carried to almost any extent that may be wished for.

What further probable expenditure would be necessary to complete the work, all the way to Lake Erie, in a direct line, for Schooner navigation?—I have not estimated the work; but a further expenditure will certainly be necessary in order to prevent damages to what is already performed. I was upon the line of Canal when the two vessels passed between the Lakes; and they had as little difficulty in passing as could have been expected at that season of the year.

What advantages do you anticipate from the Canal when completed?—It will undoubtedly be of great importance to the upper country.

ROBERT HAMILTON, ESQ., *Queenston, called in and examined.*

What advantages do you anticipate to the country and to your District from the Welland Canal, after it shall have been completed?—When the Welland Canal is completed, the District I reside in, particularly the upper part, as well as all the Western country above, will derive such advantages that it is almost impossible, at the present time, to make a proper estimate.

What is your opinion of the management of the Welland Canal from first to last? Not having any thing to do with the Welland Canal, I am unable to answer this question.

Do you as owner of Schooners and Steam Boats, expect to derive material advantage from the Welland Canal?—Whenever there is a sufficient depth of water at the Harbour to admit Steam Boats, and that Lock made wide enough, I shall expect to derive a very material advantage.

Would you approve of a further grant of the public money to be expended on this Canal, and if so, whether would you recommend the Province, to take Stock, or give a Loan?—I certainly would approve of a further grant of money rather than the Canal should remain in the unfinished state it now is. As to a Loan of the money or Stock taken, I think it will amount nearly to the same thing in the end.

COMMITTEE ROOM,
Tuesday, January 19th, 1830.

PRESENT.

Messrs. Blacklock,
Mackenzie,
Woodruff,
Longley, and
Hopkins.

Dr. Blacklock, *called to the Chair.*

WM. TERRY, ESQ., *a Member of the House of Assembly, for the Niagara District, called in and examined.*

Are you personally acquainted with the whole line of Canal?—I am not. I am acquainted with the Canal general speaking from Port Dalhousie Harbour, to the River Welland.

What is your opinion regarding the stability of the Locks, Aqueducts, excavation and other works, on the Section with which you are acquainted?—The excavation is no doubt of a permanent nature, and may be, I believe, very easily kept in repair; the Locks will require to be frequently repaired; the Harbour, I think, will never be of general utility, the Aqueduct is said to be a work of superior mechanism, and likely to last many years.

What advantages may be expected to be derived from the Welland Canal when completed?—Mercantile men, Farmers, and those who have produce to export from the Western Country will derive great advantages from the Welland Canal. I think that it will also be advantageous to the Niagara District, and that when it shall be completed it will enhance the value of property, and produce, in the Niagara District.

Is the Canal becoming more popular in the Niagara District?—I am not aware that it is.

Do you know any thing concerning the expenditure and management of the Canal?—I have never heard any thing against it, except as to the change of Routes, and the expenditure on the Deep Cut.

Do you think that the Canal will be profitable to the Stockholders at an early day?—If the produce of the Western States, Ohio, Michigan, Indiana, &c. shall be allowed to pass through this Canal, and from thence into the Erie Canal via Oswego, without paying customs duties. I think the Stock will yield an immediate profit, otherwise I think it will not.

Do you think the hydraulic advantages of the Canal will be great to the country and to the Company?—It may afford water enough for fifty mills.

Are you a Stockholder in the Canal?—I am not.

Have you understood that the Contracts generally have been done at a moderate price?—I have; I believe that the Contractors generally have been losers.

MR. MERRITT *again called in and examined.*

On what terms did you obtain the Loan of £50,000 from the British Government?—There is a British Act authorising the Loan, we pay four per cent interest, and the principal in ten years.

Where did you agree to pay the interest?—It is payable in London.

Have you ever paid any interest?—No there is none yet due.

Can you shew to this Committee copies of your correspondence with the British Ministry regarding this Loan?—I cannot.

Have you obtained the opinion of the Crown officers on the question, whether American Vessels, laden with United States' produce, may pass through the Welland Canal without breaking bulk or paying duties?—I produce the same (See Document marked D.)

(A.)

BALANCE SHEET, 1*st January*, 1830.

Folio.		AMOUNT. £ s. d.	Folio.		AMOUNT. £ s. d.
	DR.			DR.	
3	Engineer's expenses	4444 4 11		Brought forward	
7	T. Brundage, Timber	1342 2 1	49	J. Simpson, 31	575 2 5
8	Kennedy & Co., section 7	3683 11 1	50	H. Davis, 10	1475 5 9
9	Ward & Co., 1 to 6	35,186 7 11	51	J. Gooding, 51	1979 19 2
10	Fenton & Co. harbor	3121 17 9	52	J. Johnson, 52	141 2 10
11	Simpson James, 8	1502 5 10	53	Hoag & Co. 32	2313 18 9
13	H. Robinson	79 12 10	54	Awards by Arbitration	2875 9 9
14	Interest	8171 18 6	56	S. Ward & Co. duties	572 6 3
16	T. Proctor	3428 3 7	57	J. Gooding duties	15 0 9
17	Irving & Co	3 12 10	58	Bell & Co. duties	17 0 1
20	Salaries	2138 0 0	59	J. Simpson, 30	129 3 11
22	Agency	1099 5 1	60	Winters, 32	26 10 0
30	J. Gooding, 13	2081 0 1	63	J. Simpson, 26, 27	1686 2 3
33	Pease & Co. 31, 32	548 5 0	65	Hanan & Co. 28	382 13 9
34	Donaldson & Co. 33	1903 14 7	66	Jones & Hoag, 30	620 3 10
35	J. Tenbroeck, 34	1159 16 0	67	O. Phelps, duties	15 11 10
37	Ward & Hovey, 35	1797 10 0	68	Jones & Hoag, 29	1411 9 0
38	Bell & Co. 11, 12	1908 10 4	69	Forage	18 1 7
40	Hovey & Ward, harbor	4577 6 7	70	L. Taylor, 32	209 12 8
41	Hall Davis, 9	1275 6 3	71	J. Rowley, 32, 4	526 4 9
	Davis & Donaldson, No. D. C.	1323 3 0	72	L. Newlove, 5	340 17 4
	Ditto do. feeder	246 4 9	72	L. Newlove, ½ 35	646 19 6
42	J. Gooding, 17, 18	3159 16 5	73	J. Hartwell, 2, 3	4796 12 5
43	O. Straight, 32	126 1 6	74	S. R. Hathaway, 5	1051 0 3
45	J. Simpson, 23	1747 11 2	75	G. W. Harris, 29 to 33, &c.	1049 8 10
46	Pease & Co. 26 to 30	323 18 3	76	T. Rose, 32	418 13 5
47	J. Gooding, 14	1479 18 9	77	T. Merritt, 32, 34	1018 2 6

Folio.	Dr.	AMOUNT. £	s,	d.
78	Dickenson	20	17	7
79	Thatcher	3	10	0
80	H. Davies, 6	3777	10	1
82	J. Anderson, 28, 30	213	2	0
84	F. Galbraith	918	7	4
85	J. Streaker, 1	525	1	9
86	A. P. Osborn	115	8	1
87	Jenkins, 1	89	13	3
88	Pratt & Simpson, 3	152	17	6
89	Vanalstine, 3	275	6	3
90	Donaldson & Co. 4	26	4	0
91	L. Davis, 4	171	11	3
92	H. Davis, 7	754	14	11
93	H. Davis, 8	38	5	10
94	J. Anderson, 31	336	8	0
94	J. Anderson, ½ 35	511	18	11
95	J. Anderson, 32	112	10	5
96	L. Taylor, 33	132	2	9
97	J. Sloan & Co. 35	465	11	2
99	Vanornam	31	11	3
100	Vanderburg	0	18	9
101	Beadle	9	12	3
102	Timber, harbor	200	3	8
103	Real Estate	1978	3	2
104	Doty	307	4	9
105	O. Phelps, bridges	56	5	0
105	O. Phelps, repairs	146	15	0
106	Martindale & Co. harbor	767	13	4
108	Parker & Co	72	10	0
110	Curry & Co	54	17	3
111	J. Hartwell, duties	7	15	3
112	L. Davis, duties	4	5	0
113	Secretary, contingencies	50	0	0
113	Secretary, balance to meet estimate	365	7	2
114	S. B. Whitehead, 26	16	5	0
116	J. Scott	7	19	7
117	B. Finan	22	0	0
118	G. Coulter	16	9	9
119	S. Vandecar	16	18	6
120	W. Sanderson	5	17	1
121	J. Martindale, marsh	230	17	9
122	Davenport	2	3	4
123	Monson & Co. marsh	13,557	1	0
124	Bell & Co. 20, 24, 25	9277	2	1
125	Nicherson, bridges	53	0	0
126	Mackenzie	50	0	0
127	R. Campbell, Waste Weirs	885	19	6
127	R. Campbell, Chippawa	1211	18	7
128	G. W. Lake	237	1	0
128	G. W. Lake, feeder	89	10	7
129	Stephenson	0	13	10
130	W. Anderson	206	5	5
130	W. Anderson, western section	396	2	5
131	Bradley & Co	17	11	6
131	Bradley & Co. western section	528	18	4
132	G. M'Donald	29	16	0
133	A. Rychman	15	9	2

Folio.	Dr.	AMOUNT. £	s.	d.
134	Bell & Co. 15, 16	7455	0	0
135	Simpson & Pratt, D. C	2785	5	7
136	O. Phelps, 1	26	4	0
137	A. Rowley, D. C	852	12	8
138	D. Thompson, D. C	3793	19	6
138	D. Thompson, timber	1384	14	4
140	O. Phelps, D. C	43,775	14	1
143	D. Curtis, 2, 29	46	14	0
144	J. Gooding, 21, 22	3368	9	8
147	J. Finney	11	4	9
148	Yates & Co	11	4	11
149	Ellice & Co	66	16	2
151	Contingencies	4180	9	9
152	R. Davis	41	0	0
153	S. Squires	60	3	9
154	Heslop	83	1	6
155	P. Shaver	1	15	0
156	J. M'Bride	229	13	10
157	O. Phelps, New Locks	2180	13	10
157	O. Phelps, Old Locks	28,847	1	3
157	O. Phelps, G. R. Lock	150	0	0
159	T. M'Mahon, 22	176	15	6
159	T. M'Mahon, feeder	332	12	9
160	G. J. Atkins	25	0	0
161	Fletcher & Co	25	0	0
162	Green & Co	17	4	4
163	Orrin Phelps	115	6	0
164	Rowen & Co	47	15	8
165	Messmore	8	11	3
166	R. York	78	14	8
167	Harbor, Sloan & others	2520	1	11
168	Phelps & Co. aqueduct	1525	0	0
169	P. Keefer, 17	173	18	9
169	P. Keefer, feeder	1405	16	12
170	Ayres & Co. feeder	953	5	5
171	Monson & Co. O. dam	337	19	0
	Wilkinson & Co. new dam	2500	0	0
172	T. Merritt, feeder	846	9	9
173	Galbraith, feeder	361	5	10
174	Boyle & Co. feeder	123	14	10
176	M'Gill & Co. feeder	516	17	0
177	J. Burger, feeder	501	6	5
178	Trotter & Co. feeder	665	7	0
179	S. Sixmith, feeder	20	0	0
180	Wilson and Bradley, feeder	50	0	0
181	J. Hurst, 15	30	0	0
182	J. Saunders, 20	147	7	0
185	G. Davis	0	2	9
186	W. Simpson, embankment	500	0	0
187	D. M'Cague	27	14	2
188	Shore & Co. Lock 2	27	13	0
189	Beattie & Co. do	30	5	5
190	F. Humphry's D. C	3	15	0
191	O. Phelps, new feeder	1750	0	0
192	Porter & Co	131	16	3
193	M. Lewis, bridges	2068	7	11
158	Bosanquet & Co	8	7	10
	Total	269,746	12	11

BALANCE SHEET, 1st January, 1830.

Folio.		AMOUNT.			Folio.		AMOUNT.		
	Cr.	£	s.	d.		Cr.	£	s.	d.
23	Government U. C. Loan	25,000	0	0		Brought forward	211,566	1	9
62	Capital Stock	179,514	12	6	184	British Government	55,555	11	2
146	Bank Upper Canada	603	0	5	194	Bills payable	2000	0	0
150	Exchange on London	6448	8	10	195	J. H. Dunn	625	0	0
	Carried forward	211,566	1	9		£	269,746	12	11

ABSTRACT OF EXPENDITURE.

	AMOUNT.						AMOUNT.		
	£	s.	d.		£	s.	d.	£	s. d.
Estimate	239,633	3	6	Brought forward					
Engineers	4444	4	11						
Contingencies	4780	9	9	Agent, cash in hand	86	11	8		
Salaries	2138	0	0	Sundry accounts, not adjusted	42	2	3		
Interest and Duties	8803	17	8	Sec'y, for advances, &c	415	7	2		
Agency and T. Proctor	4531	1	6						
Real Estate and Awards	4853	12	11						
Forage, loss on	18	1	7					544	1 1
	269,202	11	10					269,746	12 11
Carried forward	211,566	1	9						

(B.)

CONTINGENCIES.

DATE.		AMOUNT.			TOTAL.		
		£	s.	d.	£	s.	d.
1824—July 26	Jones and Co., Stationary				4	5	3
Aug. 11	Mittleberger, writing				1	10	0
Sept. 10	W. H. Merritt, travelling expenses to Lower Canada	66	3	4			
	Ditto do do New York	37	10	0			
					103	13	4
Dec. 31	E. Wright, pump				1	15	3
	Mittleberger, stationery				1	2	3
	W. H. Merritt, travelling expenses				4	1	0
1825—Feb. 21	G. Rykert, board				0	14	3
	Hall Davis, assisting engineer				2	3	9
May 30	J. DeCow, ditto and horse hire				4	18	3
April 2	A. Hovey, advanced on tunnel	655	15	9			
	A. Hovey, contingent expenses	75	0	0			
	A. Hovey, services	125	0	0			
		855	15	9			
	Credit, by sundries sold on account of ditto	213	8	6			
					462	7	3
	P. Shipman, Director's expenses	3	15	0			
	Carried forward	3	15	0	666	10	7

DATE.		AMOUNT. £ s. d.	TOTAL. £ s. d.
	G. Keefer, Jun., services	21 10 0	
	J. Gordon, travelling expenses	8 5 0	
			33 10 9
April 9	George Davis, advertisements		1 4 7
June 4	P. Shipman, Director's bill		3 5 0
July 29	J. Dewer, services	2 0 0	
	W. L. Mackenzie, printing	1 11 2	
	E. Peck, ditto	5 16 3	
	J. Carey, ditto	12 10 0	
	W. C. Chase, sundries	7 8 0	
	W. H. Merritt, travelling expenses	7 10 0	
	H. J. Boulton, travelling expenses	2 18 6	
	M'Dougall, iron	1 12 6	
	E. Hickley, services	0 15 0	
			42 1 5
Sept. 29	W. H. Merritt, services to this time		500 0 0
	George Keefer, sundries		37 3 0
	A. Heron, printing		10 0 0
	W. H. Merritt, travelling expenses		98 14 2
Oct. 1	C. Fothergill, printing		8 2 5
	E. Lesslie, stationery	1 12 9	
	W. C. Chase, sundries	1 3 0	
	W. H. Merritt, travelling expenses	7 9 1	
	Mittleberger, stationery	0 16 11	
	M. Lewis, model of lock	25 0 0	
	G. Wright, sundries	1 10 3	
			37 12 0
Nov. 1	Irving and Co., Exchange-keeper	0 10 0	
	Ditto, do, Collecting	5 15 0	
	Ditto, do, Carey, printing	7 14 1	
	Ditto, do, Neilson, printing	8 11 0	
			22 10 1
	G. Davis, Mower, printing	2 4 6	
	Ditto, postages	1 5 4	
	Ditto, stationery	2 10 6	
	Ditto, Mower, advertisement	0 4 2	
	Ditto, Turner, advertisement	1 11 9	
	Ditto, Canadian Spectator, advertisement	0 5 4	
			8 1 7
Nov. 17	Ditto, iron	30 14 11	
	Ditto, postage	0 0 9	
			30 15 8
	Irving and Co., postage		0 10 10
Dec. 8	Collins, printing		2 0 0
	W. Allan, travelling expenses		8 12 8
	Thomson, printing		5 13 7
	G. Smith, services		25 0 0
Dec. 31	Proctor, postages	1 16 3	
	Proctor, Company's seal advertisement and printing	8 15 0	
			10 11 3
	G. Davis, postages		0 1 2
	Irving and Co., postages	0 1 6	
	Ditto, collecting	1 5 0	
			1 6 6
1826—Jan.	Interest, S. Ward, on draft 90 days		25 12 10
Feb. 4	Ditto, ditto, ditto		27 0 0
	G. Keefer, travelling expenses	7 17 8	
	Heron, printing	3 0 9	
	M'Dougall, taking out timber	2 0 0	
	G. Keefer, Jun., services	11 0 0	
	R. Hamilton, freight	2 1 11	
	C. Semiback, securing timber	11 13 0	
	A. Upper, board	0 14 4	

DATE.		AMOUNT. £ s. d.	TOTAL. £ s. d.
1826—Feb. 4	W. H. Merritt, travelling expenses	18 11 7	
	J. Nickles, account-books	38 15 0	
	M'Gee, book-case	4 0 0	
	T. Carfrae, desk	2 5 9	
	Leslie, stationery	5 10 6	
	Carey, printing	2 10 0	
			110 0 6
April 6	G. Smith, writing	2 0 0	
	W. H. Merritt, travelling expenses	43 9 9	
	G. Davies, printing	17 8 0	
	G. Keefer, travelling expenses	1 18 6	
	J. Wenham, arranging accounts	50 0 0	
			114 16 3
April 10	W. C. Chase, sundries	.....	9 5 0
	J. Gordon, services	50 0 0	
	V. Gill, drawing plans and maps	45 10 2	
			95 10 2
May 8	W. Hill, bridge at Chippawa	11 0 0	
	W. H. Merritt, travelling expenses	6 2 9	
			17 2 9
May 13	H. Leavenworth, printing	.....	2 5 0
June 10	Smith and Keefer, drawing maps	4 0 0	
	G. Wright, model of lock	0 7 6	
	W. Jackes, Directors' bill	3 15 0	
	J. Wenham, ditto	7 5 6	
			15 8 0
July 6	President, travelling expenses	27 15 8	
	W. H. Merritt, travelling expenses	15 4 9	
	Lesslie, stationery	1 9 10	
	Stanton, advertisements	3 17 9	
	Mackenzie, advertisements	0 16 3	
	J. Wenham, Directors' expenses	15 12 11	
			64 17 2
Aug. 4	J. B. Robinson, law expenses	5 0 0	
	J. B. Macaulay, law expenses	7 10 0	
	H. Leavenworth, printing	4 10 0	
	J. Carey, printing	6 19 7	
			23 19 7
Sept. 8	Arbitrators, remuneration for services	143 0 0	
	J. B. Macaulay, professional services	45 10 0	
	J. Wenham, Directors' expenses	26 10 0	
			215 0 0
Oct. 7	W. Jackes, bill on arbitration	50 0 0	
	Leavenworth, printing	2 0 0	
	W. H. Merritt, travelling expenses	15 17 0	
			67 17 0
	Irving & Co., postages	0 1 6	
	Ditto, collecting	6 4 4	
	Neilson & Co., printing	3 15 1	
	Ditto, stationery	3 0 0	
			13 0 11
Nov. 16	H. J. Boulton, travelling expenses	12 0 0	
	J. Wenham, Directors' expenses	17 10 0	29 10 0
Dec. 22	Ditto, ditto	.....	5 9 6
Dec. 31	Yates and Co., stationery	0 10 0	
	Ditto, account books	0 16 3	
	Ditto, map of canal	1 10 0	
	Ditto, printing	0 7 6	
	Ditto, postage	0 10 0	
	Ditto, expenses to Philadelphia	2 17 6	
			6 11 3
	W. Walker, advertisements	3 17 6	
	Ditto, collecting	12 10 0	

DATE.		AMOUNT. £ s. d.	TOTAL. £ s. d.
1826—Dec. 31	G. Davis, maps, &c.	0 17 6	
	Ditto, postages	0 8 6	
			17 13 6
	Ditto, advertisement	3 0 7	
	T. Proctor, postages, 1825	1 16 3	
	Ditto, Company's seal, advertisements, &c.	8 15 0	
	Ditto, postages 1826, and sundries	11 4 10	
			24 16 8
	H. Leavenworth, printing		14 12 6
1827—Jan. 27	W. L. Mackenzie, printing	9 10 0	
	Fothergill, printing	7 10 0	
			17 0 0
Feb. 17	Stanton, printing	14 13 6	
	Mackenzie, printing	6 5 0	
	Carey, printing	6 0 0	
	Ewart and Co., sundries, for arbitration	7 11 3	
			34 9 9
April 13	F. Smith, labor	2 13 1	
	W. Chisholm, going to Lockport	2 18 4	
	O'Brien, smith-work	2 1 0	
	J. Tenbroeck, damage to wheat	5 11 3	
	A. Bater, damage to wheat	13 0 0	
	T. Brundage, securing timber	58 16 5	
	J. Wenham, Directors' expenses	43 2 6	
			128 2 7
May 3	G. Keefer, Drawing maps		5 0 0
	J. Wenham, Directors' expenses		19 10 7
May 26	H. J. Boulton, mission to England	310 19 9	
	Ditto, maps	22 4 6	
			333 4 3
	Leavenworth, printing	5 10 0	
	M'Phail, stationery	6 16 10	
	Stevenson, Directors' bill	3 17 6	
			16 4 4
June 11	Secretary, sundries	15 4 3	
	N. Pauling, overseeing work at harbor	3 15 0	
			18 9 3
	Hovey and Ward, machine		12 10 0
June 13	W. H. Merritt, travelling expenses		133 19 4
July 7	Leavenworth, printing	2 10 0	
	L. Dyer, Directors' bill	3 8 2	
	Stephenson, Directors' bill	5 0 0	
	Lesslie, stationery	7 6 6	
	W. H. Merritt, travelling expenses	1 13 9	
	E. Oates, travelling expenses to Kingston	9 15 2	
	J. Wenham, Directors' bill	1 10 0	
	W. Chisholm, stationery	1 7 3	
	Botsford, Director	0 7 6	
	Secretary, postage and sundries	7 12 11	
			40 11 3
July 16	S. Street, services, arbitration		11 0 0
Aug. 10	G. Keefer, travelling expenses	3 15 0	
	Stephenson, Director	7 17 6	
	Dyer, Director	14 17 1	
	Richardson, Director	6 6 0	
			32 15 7
	E. Adams, table engineer	2 0 0	
	W. Chisholm, Office rent	4 17 4	
	W. H. Merritt, office chairs	1 10 0	
	Secretary, incidental expenses	2 15 5	
	A. and B. Gould, damages	5 0 0	

DATE.		AMOUNT.	TOTAL.
		£ s. d.	£ s. d.
1827—Aug. 10	J. Gould, damages	2 10 0	
	President, directors' expences,	9 0 0	
			27 12 10
	E. Oates, attendance at Harbour,	25 12 1	
	Paid for labour at do.	17 14 6	
	L. Carrol, for Well,	12 10 0	
	Nicherson, removing fence,	0 15 0	
			56 11 7
	J. Hartwell, digging ditch,		2 10 8
	G. Davis, advertisements,	0 11 8	
	Sewell & Co., opinion,	2 6 8	
	Postage,	0 2 8	
			3 1 0
Sep. 8	Cordage from Kingston,	46 11 4	
	Credit by ditto received of contractors,	40 8 6	
			86 19 10
	L Dyer, Director,	8 13 7	
	Stephenson, do.	6 5 0	
	Secretary, incidental expences,	1 6 4	
	D. Lapham, surveying Grand River,	14 14 0	
	W. Hepburn labour at harbor,	21 15 11	
	Donaldson, machine,	38 1 3	
	Vanornum, directors,	4 13 0	
	O'Brien, drawing timber,	3 17 6	
			99 6 7
Oct. 5	W. Chisholm, Rent,	4 0 0	
	Chrysler, directors,	6 14 4	
	Richardson, do.	2 15 0	
	Stanton, Gazette,	0 10 0	
	Secretary, incidental expences,	1 1 2	
			15 0 6
11	Yates & Co., attending at York,	17 10 0	
	Postage 9s. 8d, advertisements £4 0 0	4 9 8	
			21 19 8
Nov. 5	Dyer, directors,	2 18 10	
	Chrysler, do.	2 1 7	
	Lewis, interest on note,	0 14 4	
	Smith, horse hire	0 10 0	
	E. Oates, services at harbour,	3 15 0	
	R. Stanton, printing,	3 3 9	
	Martindale, drawing timber,	2 0 0	
	Secretary, incidental expences,	2 10 3	
	Stephenson, directors,	1 15 0	
	Levenworth, printing,	2 13 9	
			22 2 6
	W. Chisholm, Rent,	2 5 0	
	W. Hepburn, labour at Harbor,	12 10 1	
	O. Turner, advertisement,	0 10 0	
			15 5 1
	T. Brundage, office rent 2 years,	.....	25 0 0
26	D. Lapham, Surveyors Compass,	.....	8 15 0
Dec. 12	Directors, travelling expenses,	10 10 0	
	Crysler, directors,	5 2 9	
	Dyer, do.	8 8 10	
	Richardson, do.	5 18 9	
	Stephenson, do.	6 13 9	
	W. H. Merritt, travelling expenses,	5 18 6	
	Secretary, incidental expenses,	2 12 8	
	W. H. Merritt, sick man on canal,	0 5 0	
	W. Hepburn, labour at harbour,	5 4 3	
	R. Cusack, survey Grand River,	6 5 0	
	L. Misener, do. Marsh,	6 5 0	
			63 4 7

DATE.		AMOUNT. £ s. d.	TOTAL. £ s. d.
1828—Jan. 26	T. Brundage, carpenters work,	6 2 8	
	Secretary, incidental expenses,	8 12 11	
	W. Hepburn, labor at harbour,	5 4 8	
	R. Grant, copy of duties,	1 10 0	
	Fraser, office stove and expenses,	8 3 7	
	G. Keefer, drawing maps,	3 10 0	
			33 3 10
March 17	Yates, & Co., advertisements,	.....	7 13 9
April 19	W. Walker, do	.....	8 14 6
May 10	W. C. Chace, sundries,	1 3 9	
	Levenworth, printing,	5 3 9	
	Finney, painting,	1 15 0	
	Stanley, sundries, engineer,	0 15 0	
	Lesslie, Stationary,	8 3 4	
	Martin, advertisements,	0 7 6	
	Grant and Kirby, duties,	0 8 11	
	Monson, sundries,	1 5 0	
			19 2 3
1828—May 10.	G. Keefer, drawing map,	9 0 0	
	T. Brundage, Box,	0 12 6	
	L. Dyer, Directors,	5 17 10	
	Crysler, do.	2 3 9	
	Secretary, incidental expenses for postage, firewood, &c. January to April,	22 5 10	
			39 19 11
June 5	Crysler, directors,	1 3 6	
	Botsford, do.	1 7 6	
	L. Dyer, do.	3 18 2	
	H. J. Boulton, do. coach hire,	1 15 0	
	Stephenson, do.	11 15 0	
	Freight of cordage, &c.	1 9 0	
			21 8 2
	Capt. Oates, services, paid his widow,	15 0 0	
	Secretary, incidental expenses,	2 5 2	
			17 5 2
9	Yates & Co. travelling expenses with agent to Philadelphia,	9 10 4	
	Postage and advertisements,	5 3 3	
			14 13 7
July 3	Directors expenses,	5 0 0	
	L. Dyer, do.	2 3 9	
	Secretary, incidental expenses,	1 13 11	
			8 17 8
31	W. Walker, advertisement,	7 10 0	
	Collecting,	3 4 9	
			10 14 9
Aug. 8	Chrysler, directors,	8 16 0	
	Secretary, incidental expenses,	4 9 4	
			13 5 4
Sept. 13	L. Dyer, directors,	0 11 4	
	Richardson, do.	10 6 7½	
	Secretary, Incidental expenses,	3 4 9½	
			14 2 9
Oct. 10	E. Stephenson, director,	7 15 0	
	D. Bostford, do.	2 17 6	
	A. Chrysler, do.	4 10 2	
	H. Richardson, do.	8 1 3	
	Secretary, incidental expenses,	1 0 0	
			24 12 11
	H. J. Boulton, mission to New York,	.....	100 0 0
Oct. 14	George Davis, advertisement,	3 15 8	
	Barrel Roman Cement, 30s. 6d., Freight 12s. 8d.,	2 3 2	
	J. Nickless, Leger,	4 16 3	
	Postages, Cartage, &c.,	0 6 1	
			11 1 2
Nov. 4	Discount allowed John Hornby, for prompt payment of stock,	.....	6 5 0

DATE.		AMOUNT. £ s. d.	TOTAL. £ s. d.
1828—Nov. 12	Bank of U. Canada for remitting £3,000 to N. York to retire Notes,	.....	15 0 0
25	H. J. Boulton, law expenses to 1st December, 1828,	20 0 0	
	H. Leavenworth, canal intelligence toG. Davis,	1 0 0	
	L. Dyer, director,	4 1 11	
	Secretary, petty expenses,	5 0 7	
			30 2 6
	W. H. Merritt, mission to England £500 sterling, add currency and exchange, £113 17s. 10d.,	.....	613 17 10
1829—Jan. 1.	Chrysler, directors,	2 7 6	
	Dyer, do.	13 5 0	
	Richardson, do.	6 2 6	
	Secretary, incidental expenses, November,	5 13 4	
	Ditto, do December,	6 14 6	
			34 2 10
Feb. 2	W. H. Merritt, travelling expenses,	7 8 9	
	E. Stephenson, Directors,	5 12 6	
	D. Botsford,	2 6 10½	
	Secretary, incidental expenses,	7 13 7½	
			23 1 9
15	John Clark, travelling expenses,	.....	3 15 0
March 12	Bosanquet & Co., printing and advertising,	.....	9 1 8
	Bank of Upper Canada, postage,	.....	0 13 4
April 7	Ellice & Co., Stamp,	.....	2 12 9
16	Bosanquet & Co., postage,	.....	0 17 1
May 9	M'Phail, mounting a map,	0 7 6	
	G. Keefer, travelling expenses,	9 14 2	
	H. Mittleberger, memorandum book—Engineers,	0 15 6	
	L. Misener, running line in Marsh,	1 15 0	
	E. Parkin, office table,	4 2 6	
	Lesslie & Son, stationery,	10 7 0	
	W. H. Merritt, travelling expenses,	33 12 6	
	H. Leavenworth, printing,	10 12 6	
	Secretary, incidental expenses,	10 18 8	
	W. L. Mackenzie, advertisements	0 19 3	
	H. N. Monson, sundries,	2 3 6	
	J. B. Yates, travelling expenses,	2 3 9	
	J. Dittrick, horse hire,	0 10 0	
			88 1 10
	George Davis, for 2 sacks Hemp seed, and charge,	.....	8 0 0
Sept. 17	Bosanquet and Co., Postages and sundries,	.....	2 5 4
	Bank of U. Canada, do.	.....	0 15 4
Oct. 27	Bosanquet & Co., do.	.....	1 0 6
	Bank of U. Canada, do.	.....	0 6 5
Dec. 31	Bosanquet and Co., do.	.....	0 8 10
			4908 19 10
	Cr. By forfeited Stock,	5 7 6	
	By Donation,	25 0 0	
	By Premium, on Bill on New York,	98 4 3	128 11 9
		£	4780 8 1

ABSTRACT OF CONTINGENT EXPENSES TO 31st December, 1829.

Stationary, printing, advertisements, &c,	391 10 0
Miscellaneous services,	590 12 2
Agents' travelling expenses,	512 16 7
Ditto. Mission to England,	613 17 10
Ditto. Remuneration for service to 1825,	500 0 0
Incidental expenses, postages, firing, &c.	74 8 8

(C.)

REPORT OF THE WELLAND CANAL COMPANY, FOR 1829.

REPORT.

It was found, in the early part of the last season, that misrepresentations respecting the Welland Canal were so industriously circulated, and so many strange and discouraging rumors concerning it were afloat, that the Directors thought it right to publish a supplementary Report, describing minutely the condition in which the work then was, and the measures which they had determined to pursue.

To this Report, made in June last, they now refer for particulars, which it is unnecessary to recapitulate here. Those who feel such an interest in the undertaking as leads them to desire an accurate description of it, will find that Report sufficient for their purpose.

It is highly gratifying to the Directors, in presenting this Report at the conclusion of the present Season, to be able to announce that a practicable navigation has been at length accomplished from Lake Ontario to Lake Erie, by the route of the Niagara and Welland Rivers.

The public have been for some time in possession of this cheering intelligence, and it is difficult to conceive any event that could promise to add more to the prosperity of Upper Canada. It is not the intention of the Directors on this occasion to recapitulate the embarrassing difficulties which they have had to encounter during the past year, they have been of that nature, that if the object of their exertions had been one that affected only their own private interests, they could scarcely have hesitated to abandon it altogether; and it is but just to add, that so perplexing were those difficulties that the work must have been suspended if it had not been for the confidence manifested by the Contractors. By their indefatigable exertions under great disadvantages, the Canal was filled in the middle of November last with water brought down from the Grand River through the new Feeder, and on the 30th of the same month, the anniversary of the day on which the Canal was commenced five years ago, the inhabitants of the District of Niagara were gratified by witnessing the ascent of two Schooners from Lake Ontario to the River Welland.

These Vessels proceeded to Chippawa and Fort Erie, and to the opposite Harbours of Black Rock and Buffalo, in the State of New York, where their arrival excited no little surprise, and was welcomed in the most friendly manner.

The difficulties alluded to, together with the illness of the Agent, and principal Engineer, at a period when their active superintendance was most important, unfortunately delayed the completion of the work to a season much later than had been looked forward to.

The Directors feeling the importance of opening the Canal this autumn, had intended to celebrate the event in a manner worthy of the occasion, but it had become so late in the year, that it appeared inexpedient to incur the hazard of calling a number of persons together from a distance to witness a ceremony which a single severe night might render almost impossible; they, however gave directions for obtaining one or two Schooners and passing them through the Canal, if the season would admit of it. This has been accomplished, as we have above stated; the Schooners have both returned and the weather has continued so open, that even to this time the Canal might have been navigated.

The experiment thus made, in the presence of many respectable persons, has proved that the Locks are perfectly well constructed, and may be passed in a much shorter time than the most sanguine persons had anticipated.

Another important and remarkable feature in this Canal is, the expanded surface it presents along a great portion of its course, from its numerous reservoirs, and the peculiar make of the country through which it passes, enabling a large vessel to glide through this navigation with nearly the same facility that a Boat does in a Canal confined within its artificial channel. These facts which were evident to all who saw the passage of the Schooners Ann and Jane, and R. H. Boughton, have given a confidence in the work, which its warmest friends could scarcely have ventured to expect at so early a stage.

The channel which has thus been opened to commerce, and of which, we doubt not, the inhabitants of both sides of the upper Lakes will avail themselves, does not, by any means offer all the advantages which the completion of the entire design will produce. It places the final accomplishment of this great work, however, beyond question; because it is now carried to a point at which its benefits will be felt; all doubt is removed, and all real difficulty is surmounted. What remains is easy of execution, the expense can be estimated with comparative certainty; and no rational person can, for a moment hesitate in declaring that the work cannot, and must not stop short of the original design.

It may be thus described in a few words; vessels drawing 7½ feet water, and not having more than 21½ feet breadth of beam, coming from any port on Lake Erie with produce, will sail down the river Niagara, until they approach within about a fourth of a mile from the mouth of the River Welland or Chippawa. There they will enter a Canal which has been cut across a point of land into the River Welland, in order to avoid the difficulty and danger of descending the River Niagara so low as to the mouth of the Welland.

This cut is 15 chains in length; they will then pass up the River Welland, a distance of 9½ miles; the river is deep and still, and affords an admirable navigation for vessels of any burden. A tow path will be formed on its western bank, which is now in great forwardness. From the Welland they will ascend by two locks into the deep cut, from which point, to Lake Ontario, the distance is 16½ miles. Along this portion of the line, the canal is filled with water brought down the feeder from the Grand River, and conducted across the Welland in an aqueduct. Thirty-four locks occur in this distance: and it has been found in the first experiment made of them, that they may be passed in an average time of seven minutes. It will thus be seen that the whole distance of artificial navigation, between the two lakes, is sixten and a half miles, and that, including the passage of the Niagara and Welland Rivers, vessels will be towed 42 miles, which can be done in a day without difficulty; at least, that is the conviction resulting from the experiment made.

The directors are desirous of giving to the public all the information that can be of use in enabling them to avail themselves, promptly, of the advantages which this canal will afford: and they, therefore communicate a schedule of the rates of toll which they propose for the ensuing year, viz:

Flour, - - - - - - -	4d per bbl.
Pork, - - - - - - -	6d do.
Ashes, - - - - - - -	1s do.
Pipe Staves, - - - - -	20s per M.

This information will enable merchants living in Ohio and other parts of the United States to make their calculations and determine whether it will be their interest to send through this channel, such of their produce as may be destined for New York. As to produce of every kind intended to be sent to Montreal, there can be no doubt that it will pass through the Welland Canal.

Foreign vessels using the canal, and not breaking bulk, will meet with neither detention nor charge, but will pass through this artificial channel in the same manner as they have always done through the waters of the Lakes and Rivers within our boundaries. If they desire to break bulk they must of course enter regularly in the same manner as at any other port.

It may seem to some of the stockholders that the tolls are much too low, when compared with those exacted in other places in this Province and Lower Canada. The experience of a year will best determine this point; but in the mean time, the Directors beg to state, that they have been governed by this consideration; certain expenses must be incurred to the payment of wages to lock-tenders and others, which will not be increased by any additional quantity of produce or merchandize passing through; it is therefore deemed prudent to proceed upon a system as liberal as possible, in order to attract a great trade which a contrary policy might exclude.

When we consider the immense extent of territory bordering on the great lakes above us, and how rapidly their population increases, and must continue to increase, it is difficult to set bounds to the expectations which may be fairly entertained. In the state of Ohio the population is estimated at about a million, the land is exceedingly productive, the people are industrious and enterprising, and have watched the progress of the Welland Canal with no little anxiety, as opening to them the advantage of a choice of markets.

Our countrymen in the upper Districts, will see at once how valuable an object has been attained for them from the following statement.

The price of conveying a barrel of Flour from the Township of Waterloo or the Grand River and shipping the same on Lake Ontario, is at present from 3s. 1½d. to 3s. 9d.

The price of conveying a barrel from thence to the mouth of Grand River, as furnished by Mr. Shade, an active merchant resident in Dumfries, will be 7½d.; from the Grand River to Ontario 7½d., which gives a saving on each barrel of from 1s. 7½d. to 2s. 6d. From any part of the Grand River below this it will bear the same proportion.

From Dover, or the interior of the Long Point country the saving will be equally great, Vessels will convey produce from any part of Lake Erie to Prescott for less than the price heretofore charged for the two Lake Freights.

As it is a mere continuation of voyage, the grower will consequently save the charge heretofore made for Storage at Fort Erie, Chippawa, and Queenston, together with the boating and land carriage between those places, which hitherto caused their property to be removed six times, whereas, by this conveyance it will not require one trans-shipment.

The Company are now indebted, to Labourers, Contractors, &c.....	£10,115 17 11	
In addition to which, they have demands against them for lands, damages, &c.....	5,352 1 6	
Making in all,.....		£15,467 18 5
They have on hand, 1,697 Shares of Stock, which persons had pledged themselves to take, amounting to.....	£21,212 10 0	
Balance in hands of Agents,.....	152 19 11	
		21,365 9 11
Which would have left this amount on hand, had the above Shares been paid up,.....		£ 5,397 11 6

The Directors exhibit the above statement, to shew in justice to themselves, that their being in arrears at this time, is not to be ascribed to any imprudent precipitation on their part, as they had, in two instances, entered into engagements, for the supply of £21,000, on the faith of which, Contracts were entered into and which, had they been fulfilled would have left a surplus on hand greater than the temporary deficit which the Directors have been struggling to supply.

To shew the Government and the Stockholders that their money has been economically expended, the following statement is presented:—

Amount expended on the work by the Engineer's Estimate,.....	£243,000
Awards and Real Estate,.....	4,853
Duties and interest to the Province and Bank of Upper Canada,.....	8,804
Due from Thos. Proctor, late Agent New York,.....	3,428
	£260,085
CONTINGENCIES, Including Salaries, Engineers expenses, Directors, Agents, &c. &c.....	12,710
	£272,795

Which is not quite equal to 5 per cent on the amount. Few if any, similar undertakings have been conducted at a less charge than 10 per cent.

It has been found necessary to widen the Feeder to 20 feet bottom, and 36 feet surface, from the Deep Cut to the Grand River, in order to insure an ample supply of water for hydraulic and other purposes, as well as to connect the Grand River by a Boat Canal of suitable dimensions. To accomplish this, as well

as to place the Ship Canal, by the Niagara River, in a perfect state for navigation by the opening of the Spring, it will require the sum of £14,530. This part of the work is already under Contract; and it is the intention of the Board to make immediate application to the Legislature for an extension of Capital, and either to take Stock for the public or loan the Company £25,000, to enable them to fulfil their engagements, and complete this work on the above dimensions.

The Directors feel assured the public will not derive the full advantages of this navigation, until the interior route is open throughout for ship navigation, according to the original design. To accomplish this a further sum of £25,000 will be required, to obtain which an early application will be made to the Legislature of Lower Canada, to take Stock to the amount of £12,500. They are not only equally interested in the complete success of the Canal, but have already manifested their good feeling by taking Stock to the amount of £25,000.

For what remains, an application will be made to the British Government, for which purpose, as well as to arrange other interests of the Company, J. B. Yates, Esquire, of New York, purposes to go to England, to give correct information on the present state of the work.

To Mr. Yates belongs the credit of being the largest individual Stockholder in the Welland Canal, and from his well known character, the Directors entertain every hope of his success.

The entire cost of this work when completed, viz. the ship Canal now finished between Lake Ontario and the River Welland, including 346 feet of Lockage, the Towing paths on the Niagara and Welland Rivers, the cut at the mouth of the Welland, and the Boat navigation from the Grand River to the Welland, 27 miles in extent, which will be completed the ensuing spring, will amount to £288,098.

It will be the largest Canal in America, and in point of expense, will bear the following comparison with similar undertakings.

The Erie Canal has a depth of 4 feet water, it cost after ascending the mountain at Lockport to Buffalo on Lake Erie, a distance of thirty two miles, the sum of $2,400,000, or £600,000, exclusive of Lockage.

The Lachine Canal, with a depth of five feet water, nine miles in length, with 44 feet Lockage, cost £120,000.

The first had a length of three miles deep rock excavation, and the other is finished on a much superior scale; still, when the Deep Cut on the Welland Canal, and all other difficulties this work has had to struggle against are taken into consideratiou, it will bear a fair comparison with any similar undertaking.

JOHN HENRY DUNN, *President.*
HENRY J. BOULTON, *Vice President.*

WILLIAM ALLAN,
GEORGE KEEFER,
JOHN J. LEFFERTY,
ROBERT DICKSON. } *Directors.*

Welland Canal Office,
Saint Catharines,
Dec. 31st 1829.

[Copy.]

(D.)

ATTORNEY-GENERAL'S OFFICE,
30th October, 1829.

Sir—I have the honor to acknowledge the receipt of your Letter of the 28th instant, requesting my opinion whether American vessels passing through the Welland Canal can be subjected to the payment of any fees (beyond tolls,) when they do not break bulk, and also whether any and what instruction or notification may be deemed necessary to be given to Collectors, for their conduct in this case.

I am of opiuion that there is no restriction upon American vessels passing and repassing through the Canal, whether laden or in ballast, in the same manner as British vessels, provided such vessels neither break bulk nor receive on board any additional cargo during the passage; and that such vessels will not be liable to pay any fees to the Collectors of any Port, unless they enter for the purpose of unloading a part or the whole of their cargo.

A copy of this opinion I conceive will be a sufficient instruction to the Collectors, with an intimation that should any foreign vessel break bulk before entry, she will be liable to seizure; and receiving on board any additional cargo during the passage will subject the master to a heavy penalty.

I have the honor to be,
Sir,
Your most ob't.,
Humble Servant.
Signed, H. J. BOULTON, *Atty. General.*

HON. JAMES BABY,
Inspector Genl. of Provincial Accounts.

EXTRACT OF A LETTER RECEIVED BY THE SECRETARY OF THE WELLAND CANAL COMPANY FROM CLEVELAND, OHIO, DATED 29TH DEC. 1829.

My Dear Sir,—

I was duly favoured with your kind Letter of the 8th instant. I need not say that the information it contained afforded me as much pleasure to know that an enterprise of such importance to Canada has at last been brought to a successful issue, (may it abundantly reward all interested) as that the prospect of getting my pork to market in the spring, at a less rate per barrel by its waters, appears by no means problematical.

I shall certain induce the Forwarders here to go directly to Prescott with 3000 barrels, if possible, and we will decide the matter as soon as ever you can make me a positive offer of the rate of toll we must pay per barrel through, and Salt back, specifying the regulations and bonds to be entered into for the re-landing the Pork in the U. S., because Vessels belonging to this Lake have no registers; when forwarded to Montreal it will be there finally bonded for the West Indies. Pray communicate this information as soon as possible, because I must make contracts for transportation by the 25th January; say also whether, and at what premium the Directors will assure the safe passage and return of, say the first six vessels from this port, under 90 tons burthen, and

drawing not exceeding 8 feet water. A little prejudice exists as to the safety of the Canal, as well as to the Harbor of Dalhousie, you had better, as the Secretary of the Company, correct any such undue prejudice by addressing Messrs. Gidding & Co., large owners here, advising them at same time rates of toll for pork, ashes, flour per barrel, wheat in bulk per cwt., lard, &c., in kegs, I shall purchase wheat next summer for the Oswego market for transport through your canal; let this toll be low and you must succeed.

(Signed) EDWARD WARHAM.

REPORT.

The Select Committee to whom was referred the petition of the President and Directors of the Welland Canal Company, praying for a loan of twenty-five thousand pounds, and that the capital stock of the Company may be increased to £300,000; *respectfully report:*

Your Committee have carefully considered the matters to them referred, and are ready to acknowledge their deep sense of the great advantages that would result to the Province and nation, were the Welland Canal completed.

But they have no certain means of knowing whether the canal could or would not be completed as far as to the Chippawa river, and its most pressing debts discharged, even with the sum mentioned in the petition, should it be granted to the Company: all former estimates having come far short of the actual cost of the undertaking.

And although it were positively ascertained that the sum of £25,000 would complete the canal and render it navigable as far as the Welland river, your committee would still hesitate, under the present circumstances of the country, either to recommend a loan, or a Provincial subscription for stock.

1. Because the Province is already deeply in debt, which has been chiefly contracted on account of this undertaking.

2. Because, under the present circumstances of the Province, it is inexpedient at this time to burthen the the people with additional debt and taxation, more especially to accomplish an undertaking from which no immediate profitable return is expected: and the repayment of a loan contracted for, which might prevent the accomplishment of other and more urgent public improvements hereafter.

3. Because his Majesty's government has failed to recognise the constitutional right of this House, to appropriate the whole of the revenue raised by taxes on its constituents, and to exercise that salutary control over the public expenditure of the Province, which would be most likely to leave in the treasury a surplus revenue, disposable in aid of important public undertakings.

4. Because the proceeds of the Canada Company's purchase are annually applied to purposes, all of which your committee cannot approve, instead of being laid out in improving the country.

5. Because the proceeds arising out of the sale of clergy lands, the public lands generally, and what is called the casual revenue, is not applied to purposes of public utility, but disposed of in a manner unknown to the country, without being accounted for to the Legislature.

6. Because the permanent appropriation of £2,500 annually, is applied as a pension fund, and to other purposes not contemplated by Parliament, and which serves to lessen the means by which the Legislature could aid objects of public improvement and national utility.

7. Because the Welland Canal with its tolls, profits, lands, harbours, uses, and advantages, has been altogether surrendered and given up into the hands of his Majesty's Ministers or their agents, as a security for £50,000 sterling, lent by the British government. and placed without the control of this House, by virtue of a Provincial act applied for by the canal Directors.

8. Because, His Majesty's government has withdrawn its promise to grant a sum equal in amount to one-ninth of the cost, or (£27,000) in aid of the canal, promised in consequence of a privilege assured to them for the free passage of government stores, and now confines its assistance to the loan above mentioned, at interest, with the above security.

9. Because, it has been ascertained that there will not be funds enough in the treasury to meet the appropriation so very much desired by the people, for the improvement of the roads and bridges in this Province, after paying the instalments of Provincial Bank Stock about to be called in, and the Government Debentures which lately became due.

10. Because that much and long desired measure the Road Bill, failed last year in the Legislative Council, and although renewed this year, has not yet been agreed to by that Honorable Body—a bill, the assurance of the passage of which into a law, ought, in the opinion of your committee to have precedence of any further attempts to involve the people in debt on account of the Welland Canal.

Your Committee have directed their chairman to repert a bill, authorising an increase in the Company's Capital Stock to the amount prayed for in their petition.

All which is respectfully submitted,

THOMAS HORNER,

Chairman.

COMMONS HOUSE OF ASSEMBLY,
26th January, 1836.

SECOND REPORT.

Additional evidence taken by the Committee on the Welland Canal.

Your Committee appointed to enquire into the management of the Welland and Burlington Canals, respectfully report certain additional evidence, taken by them, in the matter of the Welland Canal, together with the explanation given by Mr. Black, regarding the apparent difference of £3,593 between the expenditure, as stated in the Annual Report of

the Directors, and as laid down, in the detailed accounts submitted to your Committee.

AMBROSE BLACKLOCK,
Chairman.

Committee Room,
Commons' House of Assembly,
February 16th, 1830.

COMMITTEE ROOM,
Thursday, February 4th.

PRESENT.

Messrs. Blacklock,
Hopkins,
Woodruff,
Longley, &
Mackenzie.

Dr. Blacklock was called to the chair.

DAVID THOMPSON, Esq., J. P., Wainfleet, *called in and examined.*

How near the line of Canal do you reside? Within three quarters of a mile; it runs through my land.

Do you think it practicable to finish the canal to Chippawa, and widen the feeder so as to render the work navigable, during the season for £25,000? I think that £2000 would finish the canal to the Chippawa, all except the feeder, and that £25,000 would widen the feeder for boat navigation, and complete the Canal to the Welland, the old debts not included.

Do you believe the Board of Directors gave that patient, careful and personal attention to the Deep Cut, previous to its caving in, which was calculated in all "human probability" to prevent the miscarriage which took place? The Directors attended once a month and viewed the works—their engineers were present almost tevery day, to give necessary directions to the contractors. Mr. Clark was their Agent.

Was it generally apprehended that the Deep Cut would slide in before it did give way? From the time of the first slip, I was of opinion that if the excavation was persisted in below the surface of the Welland, it would give way—I advised Mr. Merritt and the engineers that there was no probability of its continuing to stand, because the clay below that surface absorbed water quickly, and was therefore unable to support the weight of the Banks. There was a variety of opinions on the subject.

Whether would you advise parting with the Provincial Stock in the Canal to the company, without recompense, in order to enable them the better to finish the work—or would you recommend a loan? I would recommend a loan.

Is it your opinion, if further slips take place in the canal banks at the Deep Cut—that the work will sustain material injury? I think that any slips that can now take place will be of very little consequence.

In what situation are the Locks? With the exception of two, which have bilged in, they are in good order and will be likely to stand.

Do you think it absolutely necessary to widen the feeder, in order to give a permanent supply of water to the Canal? I do.

Are you a Stockholder in the Welland Canal? I am not.

Are you a Creditor of the Company? I am—to the amount of £1,400 or thereabouts.

Do the Company acknowledge your claim? It has not been before the Board.

Are there many such claims not yet decided on? There are many such claims.

Would the Welland Canal be of any use unless the feeder were widened? Scarcely any.

Do you consider that the Directors gave that constant attendance which was necessary for the welfare of the work? I think it would have been an advantage had they been oftener present. They attended, however, by their engineers and agent.

COMMITTEE ROOM,
Saturday, 6th February, 1830.

PRESENT:

Doctor, Blacklock,
Messrs. Mackenzie,
Hopkins,
Woodruff, &
Longley.

DOCTOR BLACKLOCK, *was called to the chair.*

W. H. MERRITT, Esq. *called in and exawined.*

Can you shew this committee a copy of the Bond and Mortgage of the President of the Welland Canal Company, given to the British government as a security for £50,000 by the Directors? The Bond and Mortgage are in the Government office here, and I now produce Mr. Mudge's certificate shewing the conditions of the sale, which are as follows:

GOVERNMENT OFFICE,
York, 5th February, 1830.

The bond and mortgage of the Honourable John Henry Dunn, President of the Welland Canal Company, is lodged in this office—conditioned for the payment of fifty thousand pounds of sterling money of Great Britain, on or before the twenty-fifth day of July, 1838, at the Treasury Chambers in Whitehall, with interest after the rate of 4 pounds for every one hundred pounds, payable annually.

To secure which a mortgage was given on the Canal, its tolls and profits, in case the said £50,000 and interest is not paid by the time specified.

The mortgage likewise contains a clause to allow His Majesty's Government to assume the property of the canal in case the above mentioned condition is not complied with, saving however any prior incumbrance, on account of monies advanced for the canal.

It does not include fifteen thousand acres of land of the company in Wainfleet and Humberstone.

By command of His Excellency,
The Lieutenant Governor,
Z. MUDGE,
Secretary.

Have you seen this Bond and Mortgage. I saw it yesterday.

Does it contain any provision authorising the British or Provincial Government to take possession of the Canal at an earlier period than July, 1838? It does provided the interest on the loan is not punctually paid.

Does it include the Hydraulic privileges of the company? It includes every thing on the line of the canal except the lands.

As you have not an official copy of the British act authorising the loan, the committee are desirous of obtaining the substance of its provisions, as nearly as you can remember them? The following is the substance of its provisions, and I believe it to be correct.

Whereas it is expedient to authorise a loan of money to assist in completing the Welland Canal in Upper Canada. It shall and may be lawful for the Lords Commissioners of His Majesty's Treasury to advance the sum of fifty thousand pounds out of the consolidated funds, at such a rate of interest, and on such terms as any three of them may appoint.

(Explanatory note submitted to the Committee by Mr. Black, Secretary W. C. C.)

The difference between the Printed Report and the balance sheet arises from £3,000, received of the Bank of Upper Canada, which has been paid to Contractors in advance, but not having been estimated could not be carried to account so as to appear in the balance sheet.

JOHN BLACK,
Secretary W. C. C.

No. 2.

ACT OF PARLIAMENT 11th GEO. 4th. c. 11.

An Act to grant a further loan to the Welland Canal Company and to regulate their further operations.

[Passed, March 6th, 1830.]

MOST GRACIOUS SOVEREIGN,

WHEREAS the Welland Canal has been so far completed as to allow the passage of vessels from Port Dalhousie on Lake Ontario, to Chippawa, on the Niagara River, above the falls of that River; and whereas an Act was passed in the eighth year of your Majesty's reign, entitled, "An Act to enable the President and Directors of the Welland Canal Company to accept an aid from His Majesty's Government, towards the completion of the said Canal, and to secure to His Majesty the free use thereof," whereby in consideration of the one-ninth of the estimated cost of the said Canal, to be paid by Your Majesty to the said Canal Company, the free use of the said Canal was secured to your Majesty and the Locks of the said Canal were enlarged to certain dimensions, stipulated in behalf of your Majesty by your Majesty's Secretary of State for the Colonies, and whereas the said Act is still in full force and effect, but the said aid not having been yet advanced by your Majesty, (though your Majesty's faithful Commons have every confidence that the said aid will be extended by your Majesty,) and the said Company from the want of the said aid and other causes, are unable to complete the said Canal so as to render the same at all times fit for navigation from Port Dalhousie, on Lake Ontario, to the mouth of the River Welland; and it is therefore necessary to grant the said Company immediate aid to insure the progress of the said Canal between the said places; We therefore pray your Majesty that it may be enacted, *And be it enacted* by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's Reign, entitled "An Act for making more effectual provision for the Government of the Province of Quebec, in North America, and to make further provision for the Government of the said Province," and by the authority of the same, That it shall and may be lawful for the Governor, Lieutenant Governor, or person administering the Government of this Province, to authorise and direct His Majesty's Receiver General of this Province, to raise by loan from any person or persons, bodies politic or corporate who may be willing to advance the same upon the credit of the Government Bills or Debentures authorised to be issued under this Act, a sum not exceeding twenty five thousand pounds, at a rate of interest not exceeding six per centum; and that as soon as the said sum of twenty-five thousand pounds or any part thereof, shall be so raised it shall and may be lawful for the Governor, Lieutenant Governor, or person administering the Government of this Province to issue his warrant upon the said Receiver General for the same in favor of the said Welland Canal Company, upon the terms and conditions hereinafter provided, respecting the same, which sum of money, when payable as aforesaid, in favor of the said Company shall be paid into the hands of the President of the said Company, to be held and applied by him to and for the uses of the said Company, in the completion of the said Canal, under the terms and conditions of this act.

II. *And be it further enacted by the authority aforesaid,* That the expenditure of the said sum of twenty-five thousand pounds shall be limited to the payment of the debts due by the said Welland Canal Company and to the completion of the said Canal between Lake Ontario and the mouth of the said Canal near Chippawa, on the River Niagara, and that no further expenditure shall be made until the condition of the Deep Cut, on the said canal shall be examined and reported to His Excellency the Lieutenant Governor by the person appointed by this Act for that purpose: *Provided always,* that it shall be lawful for the said Company to enlarge the feeder of the said Canal, now in progress, to such a width as will afford a sufficient supply of water for navigating the said Canal from the River Welland to Lake Ontario and no wider.

III. *And be it further enacted by the authority aforesaid,* That the sum of money hereby authorised to be raised by Loan shall not be subject to any deduction of poundage for the Receiver General of this Province, any law or usage to the contrary notwithstanding.

IV. *And be it further enacted by the Authority aforesaid,* That it shall and may be lawful for the Receiver General for the time being to cause or direct any number of Debentures to be made out for

such sum or sums of money, not exceeding in the whole the said sum of twenty five thousand pounds, as any person or persons, bodies politic or corporate, shall agree to advance on the credit of the said Debentures, which Debentures shall be prepared and made out in such method and form as His Majesty's Receiver General shall think most safe and convenient, and shall be signed by him; and that for each Loan or advance three several Debentures shall ssue at the same time, bearing date on the day on which the same shall actually be issued, and being each for the payment of one third of the sum so advanced, at the expiration of periods not shorter than seven, nine, and eleven years, respectively, with interest according to the rate at which such Loan shall be negotiated, from the date of such debentures, until the same shall be discharged.

V. *And be it, &c.*, That all such debentures, with the interest theron, and all charges incident to, or attending the same, shall be, and are hereby charged and chargeable upon and shall be repaid and borne out of the monies that shall come into the hands of the Receiver General, to and for the public uses of this Province, and at the disposal of the Legislature thereof.

VI. *And be it further enacted by the authority aforesaid,* That the Loan authorized by this Act shall be contracted for upon the express condition, that at any time either before or after the said debentures or any of them which are by this Act directed to be issued, shall become due, according to the terms thereof, it shall and may be lawful for the Governor, Lt.Governor or person administering the Government of this Province, if he shall think proper so to do, to direct a notice to be inserted in the U. C. Gazette, requiring all holders of the said debentures to present the same for payment; and if after insertion of the said notice for three months, any debenture shall remain out more than six months from the first publication of such notice, all interest on such debentures after the expiration of the said six months shall cease, and be no further payable, in respect to the time which may elapse between the expiration of the said six months and their presentment for payment.

VII. *And be it further enacted, by the Authority aforesaid,* That all and every the provisions contained in a certain Act of the Parliament of this Province, passed in the seventh year of His Majesty's reign, entitled "An Act to authorise the Government to borrow a certain sum of money, upon debenture, to be Loaned to the Welland Canal Company,"— respecting the debentures authorized by the said Act passing current with certain public accountants; the payment of interest upon the same, by such accountants, and the suspension of interest in certain cases; the submitting to the Legislature accounts of such debentures, and the interest paid thereon, and the expenses attending the same; the payment of interest to holders of such debentures; the remuneration to the Receiver General, for the services required by the said Act; paying off and cancelling the said debentures; and also, the provision made in the seventh Section of the said Act for punishing the forging of any debenture thereby authorised to be issued, or of any matter or thing relating thereto, or the knowingly uttering any such forged debenture, or other matter, as aforesaid shall apply to, and be in force in respect to, the debentures which shall be issued according to this Act.

VIII. *And be it further enacted, by the Authority aforesaid,* That the said Receiver General of this Province for the time being, shall not pay or advance to the Welland Canal Company any sum or sums of money specified in or by virtue of any warrant or warrants which may be from time to time isssued in their favour by the Governor, Lt. Governor or person administering the Government of this Province under the authority of this Act, until the said Welland Canal Company shall have delivered to the said Receiver General a bond or bonds, or writing or writings, obligatory to our Sovereign Lord the King his Heirs and successors, duly sealed and executed under the seal of the said Welland Canal Company, in the penal sum of double the amount to be secured thereby, such bond or bonds, writing or writings, obligatory, respectively, to be conditioned for the payment to the said Receiver General, to and for the use of our said Lord the King, his heirs and successors, the sum or sums of money specified in said warrant or warrants, that may be from time to time issued in favor of the said Welland Canal Company, by virtue and under the authority of this Act, and at such period or periods respectively, as the debenture or debentures upon which such sum or sums of money, so to be from time to time advanced to the said Company by way of Loan may have been raised shall respectively have become due and payable according to the terms thereof, together with the legal interest thereon, at the rate of six per cent per annum, such interest to be paid to the Receiver General, to and for the use of our Sovereign Lord the King, his Heirs and successors, half-yearly, computed from the date or dates of the said bond or bonds, writing or writings, obligatory, respectively; and which bond or bonds, writing or writings, obligatory respectively, shall be prepared and made out in such method and form as the said Receiver General shall think most safe and proper.

IX. *And be it further enacted by the Authority aforesaid,* That upon payment by the said Company to the Receiver General of this Province, for the time being, of the principal or interest on any sum or sums of money, from time to time lent and advanced to the Welland Canal Company, by virtue of any such warrant or warrants issued under the authority of this Act, according to the condition, true intent, and meaning of any bond or bonds to be given by the said Company for issuing the same as by this Act required, such Receiver General shall deliver to the said Company a receipt or receipts for the same, under his hand, which receipt or receipts so signed and delivered, shall be, and are hereby declared to be, a full and sufficient acquittance or acquittances to the said Company for the sum or sums therein respectively mentioned and specified.

X. *And be it further enacted, by the Authority aforesaid,* That all and every sum and sums of money from time to time paid into the hands of the Receiver General of this Province by the said Welland Canal Company, as a principal or interest upon any bond or bonds of the said Company, given by virtue of this Act, shall remain in the hands of such Receiver General of this Province, at the disposal of the Legislature thereof, and that all sums of money paid under the authority of this Act, shall be accounted for to His Majesty through the Lords Commissioners of His Treasury, for the time being, in such

manner and form as His Majesty, His Heirs and successors shall be graciously pleased to direct.

XI. [Repealed by 1st WIL. IV. c. 18.]

XII. *Provided always nevertheless, and be it further enacted, by the Authority aforesaid,* That nothing herein contained shall be construed to restrain or prevent the said Company after the completion of the said Canal from Port Dalhouse to the entrance of the said Canal into the Niagara River, to apply such sum of money as may be necessary in the formation and construction of a Towing Path along the Niagara River, from Lake Erie to the entrance of the said Canal.

YII. *And be it further enacted by the Authority aforesaid,* That Robert Randal, of the District of Niagara, Esq. shall be, and he is hereby appointed Commissioner, under and by virtue of this Act, to examine the said Canal, and particularly the section thereof called the Deep Cut, and to report to His Excellency the Lt. Governor, or person administering the Government for the time being, for the information of the Legislature, the condition of the said Canal and Deep Cut thereof, and particularly to examine and report upon the strata of which the said Deep Cut is composed; the effect which the seasons have already had thereon, and the probability there is of the stability or instability of the banks of the said Deep Cut, with the facts and reasons upon which such opinion of their stability or instability is founded, and to examine and report particularly upon the wooden Locks of the said Canal, their sufficiency, probable durability, and expense of repair; and to examine and report upon the Harbour at the twelve mile Creek, and the condition, practicability, and sufficiency thereof; and to examine and report upon the condition of the Dam erected across the Grand River, and the effects from overflowing, or otherwise, produced by the same; and to examine and report the condition of the Feeder from the Grand River to the said Canal, and whether it would not be practicable and advantageous to have a Feeder from another and higher point of the said Grand River, together with all such other and further facts and information as the said Commissioner may deem useful, in aid of forming a correct opinion of the said work, its progress, condition and future usefulness.

XIV. *And be it further enacted, by the Authority aforesaid,* That it shall and may be lawful for the Governor, Lt. Governor, or person administering the Government for the time being, to remunerate the said Robert Randal for his duties and services aforesaid, and for any disbursements he may have to make in the discharge of such duties and services, to such an amount as His Excellency the Lt. Governor or person administering the Government for the time being, shall think fit; and to issue his warrant, or warrants for such amount upon the Receiver General of this Province, in favor of the said Robert Randal, which amount shall be paid out of any monies in the hands of the said Receiver General unappropriated, and subject to the disposal of the Legislature.

No. 3.

MINUTES OF THE BOARD, FOR 1830.

Jannary 11th, 1830.

At a Meeting of the Directors, held at York,

PRESENT:

The Hon. John H. Dunn, *President.*
The Hon. William Allan,
J. J. Lefferty, and
George Keefer, Esquires.

The Minutes of 31st December were read and confirmed.

Resolved, That a Petition be presented to the Legislature to increase the Stock of the Company to £300,000. and to take Stock or grant a Loan to the amount of £25,000.

Resolved, That a Petition be presented to the Legislature to advance £15,775 to enable the Directors to discharge the debts and claims upon the Company, and a farther sum of £9225 to carry on the work and to increase the Capital to £300,000.

Resolved, That J. A. Wilkinson be allowed for his assistance in the Engineering Department the sum of $40 per month, amounting to £35.

Resolved, That a Petition be presented to Sir George Murray, Secretary of State for the Colonies, for the $\frac{1}{9}$ formerly granted to the Company.

Resolved, That the Mill Seats at Carl's, South end of Deep Cut, be let by Auction on Thursday the 3rd of June, and the Village Lots be sold at the same time—all buildings erected on the Mill Seats which may revert to the Company. to be built with good Stone foundations, 2 feet above the earth.

Resolved, That the Mill Seat at Hall Davis' be granted to him at the rent of $50 for each run of Stones, and $50 for a Saw Mill.

John Putnam having applied for a privilege to erect buildings on the banks of the Niagara River, the Company do not conceive they have any right thereto, and therefore cannot comply with his request.

Resolved, That the day of election be altered from the first Wednesday in April to the first day in June.

Resolved, That the Petition of Robert Campbell be complied with, viz., That he be paid to the extent of his cost upon his work at the mouth of the Chippawa, amounting to the sum of £2547, instead of £2272 18 6., as estimated by the Engineer.

Resolved, That Mr. Phelps' Petition be complied with subject to the further consideration of the Board, deducting £75 advanced on land. (see February 1.)

1st February, 1830.

At a Meeting of the Board of Directors, held at York,

PRESENT:

The Honorable John H. Dunn, *President,*
Henry J. Boulton, Esquire, *Vice-President.*
The Hon. William Allan, and
J. J. Lefferty, Esquire.

Resolved, That the Engineer be empowered to lay out a Race-way at St. Catharines, in the most suitable situation. The Mill Seats to be sold by Public Auction, on Saturday 5th June—the digging to be let out on the 15th April, but not to be paid out of the present funds. The other Mill Seats to be let, through the line, in the same proportion.

March 8th, 1830.

At a Meeting of the Board of Directors, held at Cork,

PRESENT:

The Hon. John H. Dunn, *President.*
H. J. Boulton Esq, *Vice President.*
The Hon. William Allan, and
Robert Randall, Esq.

The undermentioned Petitions and Applications were taken into consideration—viz:

1st. R. Armington's proposal for a Dry Dock

In case the £25,000 is obtained the Agent is authorized to put the Dry Dock under Contract on such terms as he or the Superintendant may think most advantageous, after giving public notice of the same, and not otherwise—this may stand over.

2nd. Upper and others, for a Bridge on the Holland Road. In the opinion of the Engineer it is not necessary.

Resolved, That Mr. Upper be allowed to build a Bridge, provided he will erect one equal to those already built, for a sum not exceedieg $300—the site to be first examined.

3rd. The Petition of John Carl and others, to be attended to, and a Bridge built with the least possible delay, after the site is examined.

4th. Misener's claim for compensation to be decided by a general arbitration, which will be appointed as soon as all the other claims against the Company can be ascertained.

5th. The tolls heretofore decided on to be expunged.

6th. M. Lewis' Report of Harbor, Lake Erie—deferred to another meeting of the Board.

7th. W. L. Mackenzie's bill for printing report, £6 5s., ordered to be paid.

8th. Jesse Wilson's application for mill privilege, postponed till after the sale at Carl's, 3rd June.

9th. D. Thomson's claim for loss on Thompson's estate, &c., cannot be entertained, considering that contract was subsequently renewed by Messrs. Monson, Simpson, and Pratt.

10th. The other several claims, &c., were deferred—in the mean time, Messrs. G. Keefer, J. J. Lefferty, and R. Randal, Esquires, are requested to examine the same as well as others which may be submitted to the agent or Secretary at such convenient time as may be appointed before Mr. Barrett leaves, and to report their opinion thereon to the Board—this deferred.

11th. *Resolved*, That Mr. M. Lewis be employed to superintend the work from Port Dalhousie to the mountain at £225 per annum, and Mr. O. Phelps from thence to the Grand River at £250 per annum, as proposed by him on settlement of his account.

12th. That Mr. George Keefer be continued as principal Engineer, at his present salary,—and that Mr. Barrett, the principal Engineer be informed that the Board entertain a high opinion of the zeal and talent with which he has conducted the various operations of the canal, and regret that they are not in a situation to continue the remainder of the work so as to retain him in their service until the whole is completed.—Mr. Barrett's salary to be paid as soon as the accounts are settled and the committee have investigated the claims alluded to above.

13th. *Ordered*, That the agent, in conjuction with the Superintendents, take immediate measures to put the line of Canal from lake to lake in a situation to admit the passage of vessels at the earliest period according to the provision of the late Act.

14th. *Resolved*, That the agent adopt such arrangements on opening the Canal as circumstances may require, making a full report of the same at the first meeting of the Board, that they may be altered or confirmed, as may be deemed expedient.

J. A. Wilkinson's salary—£35, and the agent and Secretary—£150—ordered to be paid.

Ordered, That the Agent or Secretary collect and lay before the Committee appointed to report thereon, all claims for damages on the Grand River, that they may report at the next meeting of the Board.

Ordered, That the Engineer survey the land required from Mr. Adams from the original boundaries, and that the same be taken by the Company—the lease of the mills, as examined by the Attorney General, to be executed and delivered to Mr. Adams.

Application to the Legislature of Lower Canada having been forwarded some time ago and no answer received, it is deemed expedient to renew it—and as William Berczy, Esq., M. P. P., is going to Montreal, the Board think it expedient to solicit Mr. B., to proceed to Quebec and press their applicatien to the consideration of the House of Assembly—for which service they will remunerate him for this expense from Montreal to Quebec, and back. The Agent is requested to provide him with all necessary papers to forward the object of his mission.

The agent is authorised to announce the opening of the Canal, and to guarantee all property through the Canal on behalf of the Company.

Application having been made to erect a Woollen manufactory—

Resolved, The privilege be granted for $50.

Mr. McMicking having proposed to build a steam boat, the President recommends the Company taking a quarter share.

June 2nd, 1830.

At a meeting of the Stockholders held at St. Catharines, pursuant to advertisement for the election of Directors for the year ensuing,

PRESENT.

George Keefer, and
Alexander Y. McDonell, Esquires.

Mr. Keefer, produced a power of Attorney appointing him proxy for the Stockholders in New York.

The ballot having been taken the following gen-

tlemen were declared to be duly elected, viz:

The Hon. John H. Dunn,
The Hon. William Allan,
Henry J. Boulton,
Alexander Y. McDonell, and
William Hamilton Merritt, Esquires.

July 30th, 1830.

At a meeting of the Directors, held at St. Catharines,

PRESENT:

The Hon. John H. Dunn,
The Hon. William Allan,
Robert Randal, Alex. Y. McDonell, and
W. H. Merritt, Esquires.

The Minutes of the 2nd June were read, respecting the Election of Directors for the ensuing year, when the Hon. John H. Dunn was re-elected *President*, and Alexr. Y. McDonell Esq. *Vice President*.

The Minutes from January 11 1830, were read and confirmed.

Resolved, That Mr. Berczy be written to to account for his claim of £22 10.

In conformity with the 14th resolution of 8th March, the Agent submitted the following items for the consideration of the Board, viz.

That the following gentlemen be Collectors of Toll.

Robert Randall, Esq.....Chippawa.
Orson Phelps,.....Grand River.
Thomas Merritt, senior,....Dalhousie.

which appointments were confirmed and the Secretary ordered to write to the parties to give the security required by 34th clause of the Statute 1824—viz.—"two or more sureties in such a sum as may be satisfactory to the Directors, with condition for the faithful discharge of his duty"—and to furnish them with their instructions.

Regulations relative to the navigation and management of the Canal were ordered to be printed and acted upon immediately.

The award of James Cummings, Esq.

It appears the amount awarded is £91 5—Mr. Keefer's statement of the land is A. 1, 3, 32, or 2 rood 16 perches, exclusive of the road—whereas Mr. C. make it 5 or 6 acres—the difference is supposed to be the land taken for Towing path—under this impression the Agent has not laid out the Towing path or entered on Mr. C's. premises—waiting the opinion of the Board, who will determine if this award will establish a precedent for other claimants or not.

Mr. C. was applied to, and it was intended to continue the Towing Path on his premises if he would consent to leave out the sum the Arbitrators awarded for it—otherwise it can be removed to the opposite side of the Cut, although that would be attended with much inconvenience.

Resolved, That the above be examined by the Committee, who will report thereon.

Would it not be advisable to propose to each claimant to leave the decision of his claim to the three Arbitrators named by the last Legislature, and in case they will not consent, to wait the next sitting of Parliament, and get a new Act nominating the Arbitrators;—experience shews the Company is always compelled to pay the expenses on each award, which generally brings the amount as high as if it were decided at once.

Claimants on the Grand River—should not the damages of crops and removal of buildings be settled with the individuals?—with whom are we to settle for the lands?—the people have all been waiting with much patience, and require an immediate decision.

Resolved, To refer this subject to the Committee, and that Mr. Keefer accompany them on the Survey.

The following applications and petitions were submitted.

Nicholas Smith for Land—rejected, as his offer was too low.

Philip Carl to purchase his Farm, 200 acres adjoining Robinson, for £500—his award is £158, leaving a balance of £342—declined.

Nathan Pawling, on the part of Wm. Budden to be permitted to erect a Store House at Port Dalhousie—granted Mr. Budden to have a Lease for 999 years, at a nominal rent, say 5 shillings per annum, the line to be marked out by the Company's Engineer, so as not to interfere with the navigation of the Canal.

On the same principle other applicants may occupy sites for Storehouses.

Jesse Wilson, for Mill Seat at Aqueduct—rejected.

Mr. Cusack, for $25 subscribed towards Grand River Survey—ordered to be paid.

Other claims referred to the Committee.

Resolved, That Alexr. Y. McDonell, R. Randall, and J. J. Lefferty, Esquires, and Alfred Barret, Engineer, be a Committee to examine and report on all just and lawful claims, and as soon as they are prepared to apprise the President thereof, who will appoint a day for the meeting of the Board to decide thereon.

Resolved, That Thaddeus Davis be engaged to superintend the completion of the Dam at Grand River, provided the Committee who will examine the Dam are satisfied with what he has already done.

Resolved, That Judge Wilkinson be informed that the Board intend to commence a prosecution against him (for his roguery) as soon as the expense of repairing the Dam is ascertained.

Mr. Wm. Mylne having applied for compensation for damages sustained by the Canal passing through his land, and also to be appointed Collector at Grand River.

Resolved, That his claim cannot be entertained, and that the Collector is already appointed.

Referring to the minutes of last Board, it appears no purchasers of capital have offered for the mill seats or hydraulic privileges on lease for 10 years, except Guy Atkins for the surplus water at the River Welland at $150 per annum; a reservation being made at the time of sale that if the Company

decided on an absolute sale of the privileges the sale of leases were to be null and void.

An offer was made by Frederick Tucker of Lockport, of £500 for the choice of a mill seat for 4 run of stones at St. Catharines, or for a lease of 999 years at a rental of £30 per annum.

Resolved, That Mr. Tucker be informed that the Company will not sell any of the mill seats at St. Catharines at present.

To afford facility to those who may be inclined to purchase town lots with a view of building thereon—

Resolved, That the village or town lots be divided into 3 classes—viz:

ROBINSON.

1st class,	£25	0	0
2nd class,	12	10	0
3rd class,	6	5	0

ALLANBURGH.

1st class,	£18	15	0
2nd class,	10	0	0
3rd class,	5	0	0

MARSHVILLE.

Each lot,	£6	5	0

Persons purchasing lots are to erect a frame building on each lot within one year from the day of purchase.

Resolved, That Samuel Keefer draw a plan of the above, copies of which are to be sent to Mr. Buchanan, Quebec, and Mr. Day, Albany, with description thereof.

A back or soak ditch appearing necessary for the preservation of the banks of the canal as well as draining the land it is now being made—approved.

The towing path from the aqueduct to the Grand River being likely to become a great public benefit by permitting horses and carriages to travel thereon, which must necessarily damage the canal, especially in the wet season, it is

Resolved, That the following tolls be collected for the purpose of keeping the same in repair, viz:

	s.	d.
For every carriage, wagon, or sleigh, with 2 horses,	1	3
Do. do. do. with 1 horse,	1	0
Do. do. with a yoke of oxen,	1	0
Do. saddle or single horse,	0	7½
Do. yoke of cattle,	0	7½
Each Ox, Cow, &c.	0	3½

Intermediate distances in like proportion, except from Broad Creek to Grand River Dam—which for that distance will be—

	s.	d.
For every carriage, wagon, or sleigh, with 2 horses,	0	7½
Do. do. do. with 1 horse,	0	6
Do. yoke of Oxen with cart or wagon,	0	6
Do. yoke of Oxen,	0	3½
Do. single or saddle horse,	0	3½
Do. Ox, Cow, &c.	0	2

Resolved, That a Superintendant be placed at the aqueduct, whose duty it shall be to take charge of the canal from Carl's bason to the curve above Hellems'—he shall keep the banks and roads in repair, erect a toll gate and collect the toll—keep the canal free from timber, rubbish, &c.

Another at Marshville, who shall perform the like duty, from the curve to 4½ miles beyond Marshville.

Another at Grand River, beyond Broad Creek, to extend to the waste weir at Cranberry Marsh.

Application to be made to Mr. Boulton, for 4 acres of land to erect a house, &c., in the last mentioned place.

Another Superintendant at Grand River Dam to extend from the dam to Cranberry Creek, including the same to the right bank of the Grand River.

As a primary consideration is to secure a permanent supply of water for the navigation of the Canal,

Resolved, That instruction be given to the Superintendant at Graud River Dam and elsewhere,

Amended 2nd Sept. 1835. 1st. That the waste weir at Cranberry Creek be alway kept at Feeder height—and whenever the water ceases to run over the waste weir, the saw mills on the Feeder above this point shall be stopped at the grist mill when one inch below it.

Amended 2nd Sept. 1836. 2nd. That the waste weir at Marshville be raised exactly to water line, and whenever the water ceases to run over the waste weir the saw mills at Marshville to cease, and when one inch below it, all other machinery to cease.

3rd. That the waste weir at Robinson be raised to top water line, and whenever the water ceases to run over this waste weir, the saw mill to stop, and when one inch below it, other machinery.

Amended 2nc Sept. 1835. 4th. The same principle to guide the Superintendants in regard to the other waste weirs and mills from this point to Lake Ontario.

October 12th, 1830.

At a Meeting of the Directors, held this day at York,

PRESENT:

Alex. Y. McDonell, Esq., *Vice-President.*
The Hon William Allan, and
H. J. Boulton, Esquires

Resolved, That the Vice President draw upon the Bank of Upper Canada on account of the Company for the sum of Two Thousand Pounds.

October 26th, 1830.

At a Meeting of the Board of Directors, held this day at St. Catharines,

PRESENT.

Alex. Y. McDonell, Esq., *Vice President*,
Henry J. Boulton,
Robert Randall, anc
Wm. Hamilton Merritt, Esqrs.

Mr. Yates of New York having returned from England, attended the Board and laid before the

Directors a Report of his proceedings while in London, which was read and taken into consideration.

1st. From which it appears that His Majesty's Government have not confirmed the offer made by the Despatch of Lord Bathurst in 2826, to pay one ninth of the cost of the Canal, and that individuals do not feel disposed to lend money or embark their Capital in the Canal to the extent required, so long as the incumbrance which Government have on it exists—and it being the opinion of Mr. Yates, as well as the Members of this Board that if the money is repaid to the Government they may still feel it their duty to repay the $\frac{1}{9}$ on the original agreement, and sensible that the revenue of the Canal should be considerably increased by the outlay of Capital sufficient to erect Storehouses and suitable craft for the navigation thereof, as well as for other purposes connected with the undertaking.

Resolved—

1st. That John B. Yates Esq. be empowered to negotiate a Loan of money to the amount which he may deem necessary to pay off those incumbrances, and for the purposes of the Canal, with any individuals, bodies corporate or politic, in any way or manner he may conceive best adapted for the interests of the Company—the principal of which may be payable between 1830 and 1850, and the interest not to exceed 5 per cent per annum.

2nd. It is the opinion of this Board that if an immediate sale of the Lands of the Company, together with the hydraulic privileges, could be effected, it would promote the interest of the Company by the increased toll which must be brought on the Canal for the supply of the various machinery which will be erected, besides the indirect trade which must arise from the business thus created—the Board feel every disposition to promote the object—but as the amount of Capital necessary to invest in machinery, &c. must exceed £25,000, to obtain an income of £15,000 per annum, a sum beyond what the Company may command.

Resolved, That J. B. Yates be empowered to effect a sale of all the lands and hydraulic privileges now on or to be on the entire line of the Canal, including the route hereafter to be made to Lake Erie, reserving the entire management and regulation of the waters to the said Company, to preserve the levels throughout and make from time to time such alterations as they may deem necessary for preserving or improving the navigation of or on the Canal for the sum of £25,000, payable in 10 years, with interest payable yearly from the first day of January next.

And that the said John B. Yates may have the refusal thereof for one year—the title to be given on payment of the principal or any part thereof—and that a Contract be entered into with him to that effect provided the Directors unanimously approve of the measure.

3rd. As an early application to the Legislature the ensuing season appears necessary,

Resolved, That the Petition be made out embracing the following subjects :—

1st. A satisfactory explanation of the 4th clause of the 6th Geo. 4, passed 13th April 1825, to remove any objection to our obtaining toll on the Canal from the Niagara River to the River Welland—and authorising us to build a Dam at the mouth of the said River at Chippawa, which is to be considered a part of the Canal.

2nd. To report the 15th and 16th clauses which give the Government a right to assume the Canal, inasmuch as they have retained the right to regulate the toll.

3rd. To repeal the clause in the last Act preventing our making the Canal to Lake Erie without a further Legislative enactment.

4th. To pass an Act permitting the landing and relanding from any part of the United States, on or above Lake Erie to any American Port on or below Lake Ontario, without any duty or additional charge on the produce or vessel bringing or taking away the same.

5th. To connect the Lakes by the shortest possible route it is necessary to make a Lateral Cut to the most direct and best point on Lake Erie, which will cost $100,000—to pay off all demands against the Company, and to enable them to carry on the operation of the Canal, it is necessary to procure the further sum of $100,000.

Resolved, That a Petition be presented to the Legislatures of Upper and Lower Canada for Loans to the amount above mentioned, and that Mr. Berczy be apprised that the Company expect him to make the application as soon as the Legislature of Lower Canada may assemble.

6th. To consider the Grand River from the Dam to the mouth, including the opposite banks, as forming a part of the Canal.

The Committee and Mr. G. Keefer are requested to examine the claims of individuals on the Indian lands, to collect information and report thereon to the Board.

Resolved, from the present feeling of the Forwarders on the Niagara frontier, (as well as from the general want of enterprise) no Boats or erections being prepared, it is necessary the Company should make preparation for the ensuing season.

To accomplish this the Agent is authorised to carry into effect the following arrangements.

1st. The following notice to be published—

"Sealed proposals will be received at the Canal Office on or before the 1st December next for building a Store House at the Grand River Dam, Dunnville, of the following dimensions.—One at the Deep Cut on the River Welland, and one at Port Dalhousie.—The above to be framed buildings—plans and specifications will be furnished at the Welland Canal Office."

NOTE.—The Store Houses at Dunnville will reach from the River below the Dam to the Canal, so that Vessels may unload at one door, and Canal Boats load at the other—all plain Buildings—to cost about 5 or $600.—The one at Robinson will be on the Welland, for those Vessels which cannot pass the Canal.—The one at Dalhousie on the West Pier, for Steam Boats.—Likewise a Drudging Machine similar to the one in operation, with any improvement in its construction for the open Lake, which will be

submitted with the proposal. This Machine and Boats will cost about $500.

Also 4 Canal Boats, 95 feet by 14, drawing 3 feet 6 inches when loaded—a model or plan to accompany the proposal—to be completed by 1st March.

Resolved, That the Agent be instructed to put the whole line of the Canal in perfect repair this Fall, and leave nothing to be done the ensuing Spring.

NOTE.—The banks at Hall Davis' Reservoir, and Marlett's Culvert require raising and widening, and a small length of Feeder above Broad Creek they are now repairing—the remainder is all well settled and in no danger on Ship Canal.

Resolved,—That an immediate application be made to His Excellency soliciting his influence in removing any restrictions which may now exist in landing American produce and propetty on our shores, for the purpose of passing from one Lake to the other on the Welland Canal, and being again re-shipped to an American Port, and should an application to the Provincial Legislature be necessary for passing a Law to that effect, the Secretary is directed to prepare a Memorial to be submitted for the approval of the next Board.

NOTE.—Mr. Allan and Mr. Boulton will recollect many thousand barrels of Salt were formerly landed at Queenston and re-shipped at Fort Erie for the upper country, without duty or any charge—a similar arrangement or law to that effect, is what is now required—the greatest fear is, the Americans will place some restrictions themselves, if so a greater quantity will be withheld from the Canal, as the New York Market has with them a decided preference.

Resolved, That a Circular be printed and sent to the various Ports on Lake Erie, as soon as the names of the Agents are obtained.

November 3rd, 1830.

At a Meeting of the Board of Directors, held at the Hon. J. H. Dunn's, York,

PRESENT:

The Hon. John H. Dunn, *President.*
William Allan,
Henry J. Boulton, and
W. H. Merritt, Esquires.

All the Resolutions made at the last Meeting were confirmed except the proposition of J. B. Yates Esq., which having been taken into consideration, the Directors conceived they would assume too great a responsibility to close with his proposal without having more information respecting the value of the property to be disposed of, and conceiving they would be rendering the Stockholders all the advantages the sale could possibly afford by giving it the most extensive publicity.

Resolved, That the Agent be directed to advertise the sale thereof, stating all its advantages, in the Newspapers of New York, Boston, and elsewhere in the States, and Montreal &c., in the Canadas, for which, proposals will be received on or before the 1st day of March next ensuing.

Resolved, That application be made to the Bank of Upper Canada for the Loan of £3000.

Resolved, That the President draw upon the Bank for the sum of £5694 17 3½, in order that all claims and estimates, due as agreed upon, be forthwith paid to the respective parties.

Resolved, That the Engineer's account be passed, and that Mr. Barrett be notified that the Board expect him to make out an accurate estimate and return of the respective routes to Lake Erie, for which purpose the Engineers have been principally employed during the present season.

Resolved, That the Secretary do forthwith write to the Cashier of the Bank of Upper Canada to retire £7500 of the drafts upon Yates and McIntyre which first became due, out of the £10,000 drawn upon them.

No. 4.

REPORT

OF THE

BOARD OF DIRECTORS

OF THE

WELLAND CANAL COMPANY,

For the Year 1830.

At the close of the Year (1830) the Directors have the satisfaction of announcing that the Welland Canal is so far completed as to afford a convenient navigation for schooners from one Lake to the other by way of the Niagara and Welland Rivers; while on that portion of the route which is not yet completed on the scale contemplated, namely: from the River Welland to Grand River, a good navigable channel for boats has been made, of equal dimensions of the Erie Canal.

This navigation has been fully tested during the latter part of the season, by the passage of several vessels drawing 7½ feet water. The result has been such as to refute whatever may have been stated to its prejudice; and the Directors, therefore, forbear making any farther remarks on the subject.

The delay which occurred in not opening the navigation as early in the spring as was anticipated, arose wholly from having placed too great a reliance on the guarantee of the Contractor who built the dam across the Grand River, and who engaged to maintain it for a certain period. The stability of every other part of the work has fully equalled the most sanguine expectations of the Directors.

The disappointment in respect to the dam is much to be regretted, as the greater part of the produce had passed over the portage before the Canal was fully in operation. As no preparation, however, had been made for building boats, and as so few of the vessels owned on the Canadian side of the upper Lake are adapted for the double voyage, it would have been impossible to have conveyed the whole quantity of produce with the present means of transportation.

The Directors have now made arrangements to remedy this inconvenience, in the ensuing season; they are erecting store-houses for the reception of property at Dunnville, Grand River, Robinson, Deep Cut, and Port Dalhouse; and they are building large covered boats that will carry 600 or 700 barrels of flour.

As soon as Lake Erie is free from ice above the Grand River, buoys will be placed at the eastward of the channel, and 3 lights in range with them, for the guidance of vessels. From thence a daily line of boats will ply to Port Dalhousie, which will be in readiness at the period above stated; and if the season is an ordinary one, the produce taken by this route may be either in the Montreal or New York market before it will be possible to reach Buffalo or Fort Erie.

After the Niagara River is open, such vessels as are adapted for the navigation of both Lakes will, of course, proceed direct from Lake Erie to Prescott or Oswego.

Property that is designed for transhipment will generally be landed at the Grand River, because the vessel will save 48 miles of Lake and 18 miles of a tedious River navigation. When once the cargo is discharged it can be transported nearly as cheap from the Grand River to Lake Ontario as from the mouth of the Welland or Chippawa. Still, for the accomodation of such vessels as may pass down the Niagara without intending to proceed further, a sufficient number of covered boats will be kept in readiness at Chippawa, to take through any cargo that may arrive, and in most cases without the owner being put to the trouble of storing it; and, if necessary, a daily line will be kept up on this route, for the season, or until the business of transportation settles into its natural channel.

Time is required to develope the advantages this communication offers. A very great additional expense has been incurred by individuals and the public, to increase the dimensions of this canal so as to admit the uninterrupted passage of property from lake to lake, avoiding the expense, risk, delay, injury and inconvenience of a trans-shipment; but the want of a sufficient number of vessels adapted for the double voyage may prevent the owners of produce on Lake Erie, and particularly on the Canadian side, from availing themselves of this conveyance at all times during the ensuing season.

Experience shews that regularity and certainty in the sailing of vessels on stated days has tended greatly to the facility and increase of commerce. An effort therefore will be made in the ensuing season to procure a sufficient number of vessels to leave Prescott every other day, if not oftener, for Port Dalhousie; thence to Sandwich, touching at the intermediate ports on Lake Erie. To give this mode of conveyance facility, the aid of powerful steam boats is required on both lakes to tow those vessels to their destination, after passing the canal—an arrangement which there is little doubt be will effected by individual enterprize after another year; when we hope to see a daily line from Prescott to Amherstburgh, as well as from Oswego to Cleveland, and *vice versa*.

The TOLLS for the ensuing season will continue at the same rate as the past.

The only impediment in the communication between the two lakes, is found in the Welland and Niagara Rivers. The advantages anticipated by avoiding this channel is shewn by a letter received from Captain Bill of the Winnebago (the first vessel that passed from Oswego to Cleveland).

The Board were so cearly impressed with the importance of continuing the Canal direct to Lake Erie the past season, that they caused surveys and estimates to be made of different routes, which have again beon examined the present year. No difficulty is presented on either route: the shortest and cheapest is estimated at £17,500; but as the actual expense invariably exceeds the estimates in works of this nature, it may be placed at £25,000.

It has been deemed advisable to offer for sale, on or before the first of March next, all the lands and hydraulic situations belonging to the Company on the line of the Canal, as they can be managed to better advantage by individuals; and the increased toll from the erections that must be immediately placed on the line in order to render them profitable to the purchaser, (who will pay an annual interest from the 1st January, 1831,) will be an equivalent for the increased value of those situations which the Company purpose to surrender.

We have expended this season :—

In payment of debts contracted the preceding year,.....			£10,115 17 11
In widening & deepening the feeder,..	£20,000 0 0		
On the Grand River Dam and adjoining thereto,.....	3,000 0 0		
On other parts of the Canal,.....	5,832 4 4		
Real Estate, Engineers, Contingencies, &c.....	6,315 13 11		
			35,147 18 3
			45,263 16 2
Balance in the Bank,.....			768 4 8
			£46,032 0 10

The Company are still indebted to various individuals.....	£5500
To meet which we have stock and balance on hand to the amount of.....	8257
Leaving a surplus of.....	£2757

There is also a balance due for claims not yet ascertained.

In addition to which a farther sum of £25,000 will be required to complete a schooner navigation in a direct line to Lake Erie. To raise this outlay an application will be made to the Legislature of Upper Canada, for a loan of £25,000, and to the Legislature of Lower Canada for an equal sum.

The Directors feel a degree of satisfaction in making these applications which they have not hitherto experienced. Many gentlemen of character and high respectability were under the impression that the Canal never would or could be brought to a suc-

cessful termination; and that the sum already expended, and whatever might be further advanced, would be wholly lost. This opinion was circulated with no little industry, and of course produced the desired effect; particularly as it could not otherwise be repelled than by the friends of the undertaking advancing a contrary opinion. The time has at length arrived when the successful completion of the work has silenced those forebodings—so far at least that they can be no longer uttered by men of candor and intelligence.

The rejection of any application heretofore, would have stopped the work, delayed its completion for a length of time, and been attended with the most ruinous consequences. The work is now in a situation not to be similarly affected. Its accomplishment is no longer a question; and the assistance now required, is urged as a measure of policy and expediency, for the consideration of the Legislature: whatever may be the result, no serious consequences need be apprehended.

The only discouraging argument that can now be advanced, is by those persons who estimate the value of this work to the country, merely in proportion to the nett revenue to be immediately derived from the amount of TOLLS received. These may urge that it will never pay; or, at least, not until a very distant period. On this subject the Directors have good reason to retain their former opinion.

In 1831, the Canal which connects the Ohio River with Lake Erie, will be finished; and so also will the Rideau Canal.

In 1832, the necessary preparations will be made for the conveyance of property in vessels or boats suited to the dimensions of those Canals; and in 1833 a quantity of produce will pass this Canal, for the Canada market alone, which is scarcely contemplated by the most sanguine, at the present day.

All we require to insure a profitable return, is to continue the Welland Canal on this most direct route to Lake Erie.

John Henry Dunn, *President.*
Alex. Y. M'Donell, *Vice-President.*
William Allan,
Henry J. Boulton,
Robert Randall,
John J. Lefferty,
Wm. H. Merritt, } *Directors.*

Welland Canal Office, Saint Catharines, Dec. 31st 1830.

No. 5.

REPORTS

OF

ROBERT RANDAL, Esq.,

WELLAND CANAL COMMISSIONER,

With Estimates, &c. of GEORGE KEEFER, Jun., *Civil Engineer.*

FIRST General Report from the Commissioners appointed under and by virtue of an Act passed in the Eleventh year of His Majesty's Reign, entitled, "An Act to grant a further Loan to the Welland Canal Company, and to regulate their future operations."

To His Excellency Sir John Colborne, K. C. B., Lieutenant Governor of the Province of Upper Canada, Major General Commanding His Majesty's Forces therein, &c. &c. &c.

At an early period after the passing of the Act authorising and appointing me to examine the Welland Canal and to report to Your Excellency "all such" "facts and information" as I might "deem useful in aid of forming a correct opinion" of that work; "its progress, condition, and future usefulness."—I proceeded to Port Dalhousie, and from thence along the whole line of the Dam at the Grand River, and personally inspected as far as the state of the weather could admit, the Harbor on Lake Ontario, the Deep Cut, the Locks, the Aqueduct, the Feeder, the Dam, and the Excavation generally.

DEEP CUT.

As the 13th Section of the Statute requires a very minute and particular examination of the Deep Cut to be made in order to ascertain as far as practicable "the probability there is of the stability or instability of the banks," I have visited and inspected that section of the work from time to time, since the beginning of April, carefully enquiring into and noting down such facts and occurrences as I considered likely to prove useful.

Several slips in the left or west bank have taken place this spring; the surface area of one of them, perhaps exceeding half an acre; but the soil thus deposited in the Canal has partly filled up the vacant space below the *new* bottom level, and by widening the summit level rather benefited than injured the navigation.—I was informed that at the place where the banks had chiefly given way, during the present year, the workmen on the Canal had first discovered the *soft* clay bottom, and on further digging arrived at a stratum of quicksand.

An opinion is very generally entertained by persons residing near the Canal that the margin will give way in other places along the line of Deep Cutting, and it is indeed probable that such will be the case, for the banks that remain unbroken are apparently in the same unstable condition, as were those places which have already fallen in, the quality of the soil is the same, and they are equally steep; but I do not apprehend any very serious consequences from this state of the banks, for there are now eight, ten, and in some places twelve feet of water and vacant space, in the Canal below its present base level, where the margin has not caved in, and unless the banks were to give way on both sides the soil (judging from the experience of the last 18 months) would not be likely to fill the Canal any farther than to its base level, and scarcely, if at all interrupt the navigation. The slips that have taken place since the Welland river level was abandoned, have occasioned very little additional excavation or trouble. I found a few laborers employed clearing out a bottom channel of twenty feet width for a short distance, the cutting was neither deep nor extensive.

The banks on the towing path side are steep but have, thus far, stood the test of the seasons, except

in a very few places. When the canal is filled with water, there will be much less chance of the sides giving way in this section, than there is in its present state, and looking at the subject in this its worst point of view, I can decidedly express my opinion that the anticipation of such an event ought not to be allowed to prevent or hinder the completion of the canal, or be received as an argument against its utility as a permanent public work. Were the soil to cave in, so as to stop the passage of vessels, it could be cleared out and placed at a proper distance at no great expense, and without much loss of time, and that is the worst that can happen.

It is to be regretted however, that more precaution was not made use of by the principal engineer employed on the canal, before the sum of eighty-five thousand pounds had been sunk in excavating this stupendous ravine. Had more pains been taken to ascertain by deep boring at short distances, the nature and quality of the substratum, on which the banks were intended to rest and which was to form the bottom level of the canal, a vast saving would have been effected to the colony and the canal by this time, probably open for ships from Erie to Ontario.

I visited the deep cut so late as Tuesday last, and found it open and almost clear of every obstruction.

GRAND RIVER DAM.

The idea of obtaining an ample supply of water from the River Ouse, for a ship Canal to connect Lakes Erie and Ontario, is not a new one—it occurred to the Commissioners of internal navigation as far back as 1823, as appears by their valuable report made to your Excellency's predecessor, in the month of February, in that year, and lately republished at Kingston, under the direction of the Gentleman who had been President of the Board. The same means of obtaining a supply for the Welland Canal was proposed to the Board of Directors in 1827 by Mr. Barrett, then Engineer; but was not then acted on. The dam thrown across the Grand River is nine chains in length and raises the water about 5 feet above the former level. The dam is said to have gradually settled down 12 to 16 inches since last June, the soil is favorable being a clay bottom; the base of the dam is 100 feet, and for a foundation, whole trees were cut down, drawn and laid lengthways into the stream with their branches on; gravel and stone were next thrown in and the work finished with alternate layers of brush and gravel. It is well timbered throughout, and the timbers in the abutment at its south end are well framed, and the workmanship substantial. The north wing of the dam is in want of repairs; it should be filled in, to prevent the river breaking round, and raised with a breast work of timber, brush and stone. 2 or 300 cords of small stones and gravel, if thrown on the top, would mix with the brush-wood and greatly strengthen the dam. South of the dam an embankment has been raised; its height is 9 feet, 12 feet at top; with a slope of 2 to 1; its length 22 chains, I consider the top unsafe in its present state, and would recommend that it be faced with timber and raised 3 or 4 feet higher than the summit level of the river above the dam at high water mark. South of this Embankment is an artificial channel which is to be filled up, there are also 2 waste wears, on the same side of the river, the apron of one of which is 180 feet, and the other 200 feet, the waste wear farther down, stands in need of repairs.

Persons residing at Dunville informed me that the River rises from two to three feet, that being the range between high and low water level above the dam; last winter's ice did no material injury either to the dam or the embankment. At this season of the year the waters of the River flow over the dam, but it is believed that about one fourth of the stream is lost in the dry season, a great part of which waste water could be retained, were the dam tightened.

According to the best information I could procure, the space open in the dam, at low water last year, through which the stream passed, was two and a half rods wide, and the average depth ten or twelve feet, with a current of five miles an hour. Thence may be inferred the immense extent and value of the water privileges on the Canal in a dry season. Below the dam the river forms one vast harbour four or five miles in length, six hundred feet average width and of a mean depth of twelve or fifteen feet. At the village of Dunnville (so named in honor of the President of the Canal Board, who has greatly exerted himself to bring the undertaking to a successful termination,) the Company have already rented water privileges to three Saw Mills and one Grist Mill, arks loaded with Flour, Pork and Whiskey had arrived from Brantford on the 15th instant at the Feeder, and were awaiting the opening of the navigation to cross the Peninsula to Port Dalhousie. The erection and maintenance of this great Dam across the Ouse is unauthorised by any Legislative Act of this Province; the lands of individuals situated on the banks of the river for a distance of about ten miles are overflowed without the consent of the owners and without recompense having been afforded them according to the award of a jury of the country, fish are prevented from ascending the river, and neither ark-gap, lock nor apron has been constructed or maintained of a sufficient width and depth to admit boats, arks and rafts.

Application might have been made to the Legislature before or since the building of this dam for authority to maintain it during the pleasure of parliament, and to regulate the mode of compensation to persons aggrieved, &c., but it has not been done. It will be for the Legislature to determine how far the circumstances in which the company were placed could be considered as an excuse for their violation of the laws which assure and protect the rights of persons and property in this province. Had the dam been built at the mouth of the River it would have tended to render the country more healthy—as it is, the lands below Dunville will long continue to stand in the way of the comforts of the inhabitants, "much of this level piece of water" (observed Mr. Geddes) "is bordered by a sedgy shore where rotten vegetables are acted upon by the fluctuations of the lake, and the beams of a hot sun; and from this decaying mass rises a vapor that makes the lower part of the *Grand River Valley unhealthy*—covering this amphibious description of shore with a body of water that will remain permanently upon it, will doubtless act with great effect in improving the health of this sickly region of country and will be hailed with joy by those living at the naval depot."

THE FEEDER OR BOAT CANAL.

From the Grand River Dam to Broad Creek, a distance of five miles, the feeder is 26 feet wide at top, 10 feet at bottom, and from 4 to 5 feet deep, when filled, it will overflow a considerable portion of the surrounding lands unless an embankment is thrown up on the berm or west side, and the surplus waters conveyed through, below the canal, by means of a culvert into the River Ouse.

I was informed that the country here is sickly, but that after passing Broad Creek into the Tamarisk Marsh, it becomes healthy and free of fever. In this section the water used is tinged with the bark and leaves of the Tamarisk, to which the workmen ascribe their healthful state. From Broad Creek to the main curve, the point where it is supposed that the *feeder* will intersect the ship canal, the excavation is twenty feet wide at the bottom, thirty-six feet at the surface, and upwards of four feet deep, this section is 14 miles and 50 chains in length, and perfectly straight—It forms one of the most magnificent avenues in the world.—On this line, at the village of Marshville, there are two miles of cutting upon the old route of the width of a ship canal, which have been abandoned—It is said to terminate in an excellent mill site, but I did not examine it. I will go over it some time during the summer and see whether or not it could be employed in any way, so as to defray in some degree the heavy expense of its excavation. Marshville is but four miles distant from Lake Erie, it is the centre of the Company's 13,000 acres of land. From main curve down to the aqueduct, where the waters of the canal pass over the Welland River, the distance is three miles 30 chains, and the feeder is constructed with 20 feet bottom, a slope of 2 to 1, and is from five to six feet deep, wherever there was low cutting it is the full width of the ship canal, and the alleged object in making it deeper near the Deep Cut is thereby to draw a more plentiful supply out of the Grand River. From the aqueduct to the village of Beverley, at the commencement of the Deep Cut, a distance of three miles, the same general dimensions are continued. The plan of the feeder is four feet water in the Canal at the dam; thence to Marshville, a gradual descent of 6 inches; thence to Helmes Creek, other 6 inches; thence to Carl's ravine, 6 inches; and thence to the Deep Cut, 6 inches, in all a descent of two feet; natural reservoirs being provided at each 6 inches of descent.

The carpenter work of the Bridge over the feeder at or near the dam, is well done, but the abutment wants repairs; from thence to Broad Creek, there are two waste wiers, and tow-path bridges over them, the carpenters work of which is sufficient, also at Broad Creek, a flume, the carpenter work of which is not good; the gates are insufficient and some puddling is required—the bridge and waste wier at Helmes', are in good order.

THE AQUEDUCT ACROSS THE WELLAND.

This is an excellent piece of workmanship, and a monument of the supetior skill and ability of M. Marshall Lewis, the Builder and Contractor.

THE WORKS AT OR NEAR CHIPPEWA.

The swing bridge across the Welland at Chippewa village, is a substantial piece of workmanship, and admits the passage of ships or steam boats of 40 feet beam, that part of the original bridge which has not been repaired by the Company is in a decayed state.

The towing path on the banks of the Welland, is incomplete, as is that from thence to Fort Erie.—The Canal or Cut across the point at the junction of the Niagara and Welland Rivers, has been completed with the exception of some dredging at each end. This work is extremely well done, and adds to the safety and convenience of the navigation greatly; the depth of water in the cut is 8 feet. It is proposed to build a steam boat at Chippawa, to navigate the rivers Welland and Niagara, and sail between Beverly at the Deep Cut, and Fort Erie, making one trip each way daily.

THE LOCKS, WASTE WIERS, &c.

Locks No. 1, 2, 3, are 32 feet wide and 130 feet long—above St. Catharines, the locks are 120 feet in length by 22 feet wide in the clear; in lock No. 7, at the lower corner on the west side, the joints have started down the stream a little but not so as to injure the lock or the navigation.

In lock No. 5, the timbers inside have sprung inwards about 12 inches, the width therefore is only 21 feet; locks 8, 9, 10, 11, 12, are in good condition, some puddling will be required at No. 12.

Lock No. 13, has sprung in the width at top, but not so as to injure it, at the lower corner the joints have sprung open a little. Lock No. 14, bilged out like No. 13. Lock No. 15, requires some puddling or filling in, and the gate post will have to be repaired, some other repairs are wanted, but it will not prove an obstruction to the navigation. Lock No. 16, bilged out like 13 and 14, No. 17, a good lock, and in good order. Locks No. 18, 19, 20, 22, 24, these are all in good condition—some puddling is required at No. 18; Lock No. 21, is bilged out as much as 26 inches wider.—There is a bridge across the canal here which is in good repair. The lower corners of lock No. 23, are not well put together—lock No. 25, is in good condition, at this place is the commencement of rock excavation between locks 25 and 26, the rock is full of chinks and the water leaks through at bottom, to the serious inconvenience and damage of the farm adjoining, which is owned by Mr. Ker, a settler from Scotland—No. 26, is a good lock of fine workmanship, the lower end of this lock and of No. 25, are handsomely faced with stone, laid up in dry wall.

The carpenter work of lock No. 27, is not well done; Lock No. 28, same as 26. No. 29, a good lock of fine workmanship. Lock No. 30, the same. The waste weir apron is too narrow. Lock No. 31, in good condition, a waste-weir between, and No. 30, and a waste-weir above, both in good order. Between 31 and 32 a highway and bridge across. No. 32, is a fine lock, the same may be said of 33 and 34, close by 34 is Mr. Keefer's gristmill, and a growing village of 15 or 20 dwelling houses. No. 35 is a good lock, and there is a bridge over the canal in this place, between this and the road from Decou's mill, is a waste weir in good order. On the Beaver Dam road there is a bridge which wants raising on the pivot. Between Malatt's and Upper's are 4 culverts in excellent condition. No. 36, is a complete lock, except the paddle gates which the

Company are about to alter, some puddling required, waste-weir good. No. 37, is a good lock, from this upwards about a hundred yards of excavation will be required of nearly a foot in depth, a short distance above the Lock there is a Saw Mill, and a flume is in progress for the purpose of draining the Deep Cut whenever it may be necessary to do so.

The Carpenter work on the whole line from the Harbour to St. Catharines appears to be substantial and in good order, except two Tow-path bridges.—The Towing-path Bridge at Lock No. 10, requires some repairs. I have availed myself of the experience of a Master Carpenter in matters appertaining to his line of business, and obtained the advice and assistance of professional and other persons in whom I could place confidence in all such matters as seemed to me to require counsel and information. A great deal of doubt has been thrown on the stability of the Locks and perhaps some of them may give way—but I have not had reason to apprehend such casualty from any thing which came under my observation. I examined the Locks one by one very carefully as required by the Act, and consider them *upon the whole* as fine a specimen both in design and workmanship as any others which have come under my observation on this continent. I ascertained, by enquiring at the carpenters that the timber employed has been cut down at a proper period of the year, and not when full of sap, and that it was afterwards seasoned. The Lock gates, however should be made of sunk oak, or timber that has been immersed some time in water and afterwards thoroughly dried, such timber is very difficult to work, but makes a superior job, and it is well known that Canal Lock gates are in Canada exposed to great changes of climate, being from the duty they perform neither wet nor dry.

PORT DALHOUSIE.

This harbor has an advantage over that at Burlington in being less exposed to the storms on the lake; and the soil which is a fine tough clay is far more favorable for the purposes of canal navigation. The piers, dam, waste wiers, entrance lock, and other works are in good order, having withstood the freshets of the creek from within and the storms of the lake from without, without suffering any material injury. Inside the lake lock, above the waste wier, there are from 10 to 12 and in some places 15, feet of water in the channel for nearly two miles up the valley of the 12. I ascertained the depth of the water in this harbor at two different periods; the first was in the beginning of this month, and the last time on Monday last, the lake was calm on both occasions, and the depth of water about the same. On the lower sill of the lock I found 13½ feet of water, and outside the lock between the piers, the soundings were from 8½ feet to 10 feet 11 inches, two machines were in operation deepenig the channel.

Beyond the piers in a line with the entrance the depth of water ranged from 10 feet 9 inches to 12 feet 6 inches, until upon the bar where the soundings were from 9 to 10 feet. Farther out in the lake about a hundred yards in the same direction I found fourteen feet of water. The bar is about a chain in width, and in the two intended channels the least depth upon it is nine feet. It is intended to extend the main pier sixty feet further into the lake, and to place another pier across the bar in the same line from the lake, excavating the channels sixty feet in width and eighteen inches deep across the bar. The other ship channel, north of the main pier head, is to be excavated to the same depth, and a buoy placed on each side of the entrance for the guidance of the mariner. For his guidance also two lights will be placed in a line with each other, and in a line with the main channel, at a proper distance. It is of consequence to the prosperity of the canal that this harbor should be speedily deepened and improved so as to ensure the regular reception of Steam Boats. A western merchant, after his property has arrived at Fort Erie, can depend upon its being forwarded to Montreal by a given day if sent over the portage and by steam boats from Queenston. To ensure confidence to the Welland Canal it is obvious that it should possess the same facilities for the regular transit of property by steam navigation that are enjoyed on the Queenston route. Lake Ontario is now understood to be between 15 and 24 inches higher than its level at certain seasons of the year, and its waters rise and fall not less than 3 feet, taking one season with another in a period of five or six years. I think it will be found necessary hereafter to widen the entrance lock, so as to admit steam boats of the size now navigating Lake Ontario, into the great dam, and if it should be determined to make this alteration, the lock ought to be placed at the first turn, about a hundred yards above its present scite, which would leave a large and convenient basin for steam boats and other large craft, the space outside the lock between the piers being too much confined. On the dyke of the great pond a mill with a horizontal or "reaction" wheel has been erected for years which I was informed had done considerable business. Already has the anticipated commerce of the canal begun to attract capital to port Dalhousie. They are building houses and stores and erecting granaries, and one merchant has established a wholesale store with a heavy stock of British goods. A road from this place to Niagara is much wanted.

The towing path from Port Dalhousie for several miles up the creek is an artificial mound of earth raised on the left bank of the natural channel. It follows the windings of the creek, and will have to be stoned up to prevent it from washing away, as will many of the artificial embankments on the line: The Erie Canal had to be stoned up on each side for many miles to prevent the soil from filling up the channel, but these improvements can be made in the winter seasons, when experience shall prove them to be necessary after the canal is completed. A floating bridge is made through the towing path, about two hundred yards above the entrance lock to enable vessels, rafts, &c. to pass from the canal into the grand basin. Should it be considered expedient to widen the present entrance lock instead of removing it further up the canal, I would suggest the propriety of placing another floating bridge on the towing path immediately above that lock.

WATER POWER.

The advantages possessed by this line of canal for impelling machinery are very great. At the grand River Dam there is water enough *to spare* for impelling a number of mills. At whatever place on the lake the Ship Canal shall terminate, there will be a fall of probably six or seven feet, with a never failing supply of water for mill purposes—a most

important acquisition, should the navigation terminate in the Sugar Loaf settlement—for on the lake shore in a distance of forty miles above Fort Erie there is but one mill seat, which though an indifferent one was obtained by laying upwards of six hundred acres of fertile land under water many years ago presenting an unpleasing spectacle to the eye and generating fever among the settlers. At the ground plot of the village of Beverly, where the Canal locks down into the Welland River, there is a descent of about sixteen feet with a large reservoir into which the feeder Canal will discharge its waters, and where manufactories requiring water power might be carried on to great advantage. At the north end of the deep cut, after the commencement of the mountain descent, a waste wier turns the superflous water *around* two locks, a fall of sixteen feet, after which it enters the Canal again, and may be used for any manufacturing purpose whatever. Then, at Thorold, it is conveyed *around* four Locks—then *around* thirteen Locks until it re-enters the Canal on Shaver's farm below the mountain ridge, then *around* locks until it enters the Canal at St. Catharines. By this contrivance, the mills and machinery that may be hereafter erected in the course of this descent can be continued in operation even at such times as the locks or sections are undergoing repairs.

Mr. Keefer of Thorold, has built on the line of Canal an excellent grist mill of the most durable materials, the walls are of stone and the machinery is worked by cast Iron wheels. It is calculated for eight run of stones, and has four run of French Burrs completed, this mill is one of the finest establishments of the kind in the colonies. Six mills have been erected along the line of canal, four more are now in progress and applications to the Company for water power to turn other fifteen grist-mills, saw mills, carding and fulling mills are now under consideration.—These hydraulic privileges will prove a never failing source of revenue.

UNFINISHED WORK.

A considerable outlay will yet be required to complete the Welland canal. The line of cutting to its termination in Lake Erie, with the expense of improving a harbor there; the alterations and improvements at Port Dalhousie, the lock and other additions at the Grand River dam, the widening the feeder to boat canal size, from Dunnville to Broad Creek, the stoning up of the banks where it may be found needful, and the erection of a weighing lock, are some of the principal items. Unforeseen accidents may likewise occur, and swell the list of expenses; but I have stated the grounds of my apprehension wherever I considered a possibility of danger or risk to exist.

TERMINATION OF SHIP CANAL ON LAKE ERIE.

The "future usefulness" of the canal will partly depend upon the skill and judgment that may be displayed in the selection of a place at which to carry it into Lake Erie, and as the Legislature have decided to defer that part of the work until the several routes shall have been examined, and reported upon; it is my intention in the course of the present summer, carefully to examine the coast; and, being assisted by professional men in whose skill and integrity I can place full reliance, to collect all the information necessary for enabling the Legislature to decide upon the advantages and disadvantages of the several proposed harbors and lines of canal, and to report the same to Your Excellency. Early in the present month I traversed part of the country between Marshville and Lake Erie, and found it favorable for canal purposes, so far as an examination of the surface could enable me to form an opinion. I visited the coast from Gravelly Bay up to Kinnaird's Bay, which latter is situated in that beautiful tract of country known as the Sugar Loaf settlement, 4 miles from Marshville. Graybiel's bay is 24 miles above Fort Erie, 20 from Chippawa village, between 6 and 7 from the acqueduct over the river Welland, and about 6 from the nearest point on that river, due north; abundance of gray freestone may be had within a mile, and hard wood is abundant, the bay is sheltered on the west by Point Industry; and, according to the information received from Mr. Graybiel, its bottom is hard clay, covered with a layer of sand and gravel, from one to four feet in depth. Gravelly Bay, otherwise called Steele's Bay, is about four miles below Mr. Graybiel's house, and 5¾ miles distant from the line of canal or feeder, it is protected both on the East and West by ledges of rock which extend a considerable distance out into the lake. If on due examination it should be found that Graybiel's Bay possesses as many natural advantages for a harbor as Gravelly Bay, it is (taking the two only into consideration) otherwise entitled to a decided preference—the country round the latter being low and unhealthy, while the lands in the neighborhood of the former are pleasant and salubrious, affording most desirable situations, on which hereafter to build a village or city.

The settlers informed me, that from Sugar Loaf up to the Grand River, the ice in the lake and bays breaks up much about the same time, and that this year it began to give way on the first day of March; and finally cleared out from Graybiel's Bay on the 22nd of that month. From such information as I been able to obtain, I learn that the ice left Buffalo harbor this year on the 19th day of April, a month after the lake was open from Gravelly Bay and upwards on the British side. Last year the Grand River and Lake near it were open and clear of ice on the 11th of April; and it is stated in a supplementary report of the Board of Directors of the Welland Canal, that no vessels could have entered the port of Buffalo from the upper parts of Lake Erie that season, earlier than the 14th of May. By means of the boat navigation, termed "the feeder," the main canal will be placed in communication with the Grand river, which is now navigable for 12 miles above the dam; and it appears by the evidence afforded to a select committee of the House of Assembly, during the session of 1828, that at a moderate expense it can be opened for boat navigation many miles higher up, passing through a rich and populous section of country, abounding in timber of all descriptions, and which now exports annually a large value in flour, ashes, pork, whiskey, lumber, gypsum, and other produce. By the feeder, the main canal will be placed in communication with the waters of the Grand River, below Dunville, as soon as a lock shall have been erected in the dam; and with the Niagara River above the Falls, and the populous and wealthy settlements on its banks, it is

connected by the River Welland, which is also navigable for at least eighteen miles beyond the Deep Cut, into the interior of the Niagara district. The canal intersects nearly 30 miles of country, fertile and well settled, and is accessible from Lakes Erie and Ontario with schooners. Being chiefly intended for schooner navigation, the shortest possible route to its grand western termination that offers a safe and convenient harbor ought to be adopted.

The attention of the Legislature of Upper Canada appears to have been early attracted to the importa t subject of uniting Lake Erie with the Ocean—in 1821 a statute was passed authorising the appointment of a commission, "for the purpose of exploring, surveying, and levelling the most practicable routes for opening a communication by canals and locks between Lake Erie and the Eastern boundary of this province"—that commission reported early in 1823, in favor of a ship navigation throughout; and considered it of the highest importance that the assistance of Lower Canada should be obtained. Of this line the Welland Canal is the only part which has been attempted to be opened, and it is gratifying to perceive that the undertaking approaches towards a successful termination. To Mr. William Hamilton Merritt, the Superintendant, great praise is unquestionably due, for his indefatiguable exertions to accomplish the work, though often placed in very difficult situations. I heartily concur with Capt. Basil Hall, in the opinion he has expressed "that to" Mr. Merritt's "perseverance and knowledge of the sub-"ject, as well as his great personal exertions, this "useful work stands mainly indebted for its success."

A COMMERCIAL EMPORIUM.

It is a circumstance greatly to be regretted that Upper Canada remains destitute of a commercial emporium under its control, and to which its rich and growing commerce could be directed. The trade of this colony being attracted to Montreal and Quebec, diffuses its "genial warmth" over the whole of the sister Province, adds to its wealth, its productive industry, its power and its population, and yields a rich revenue over which we have not that efficient control to which it appears to me that we are of right entitled. The means of paying the interest and ultimately the principal of a Loan which would be sufficient to continue the navigation of the Welland Canal, unbroken, to the Ocean, is in the hands of the sister colony, and chiefly arises out of the commerce of the ports of Montreal and Quebec. A further claim on the Legislature of Lower Canada for assistance to defray the cost of the Welland navigation, seems to me under those circumstances fair and reasonable.

Provided the produce of the upper Lakes within the territories of the U. States, shall be allowed to pass through the Canal, the tolls will be greatly augmented, a considerable traffic created, and the countries on its borders enriched, it is by far the best and cheapest route even to the New York market, and will of course receive a preference. The expenditure upon the Canal has given a large and wholesome circulation to money and enriched many. Villages are starting into existence upon its borders and new employment is created for individual industry. New capital is attracted and put in operation; settlers are induced to purchase lots and commence improvements, and the additional value of their skill and labor will add to the wealth of the Province and the strength of the nation. In proportion as this Canal will enable the agriculturist, in countries beyond it to bring produce to market, and carry merchandize back into the interior at a cheaper rate of freight and by a speedier mode of conveyance than he formerly possessed, in like proportion will it augment the value of property in these countries, and induce capitalists, enterprising men, to form settlements where without such improvements in the means of transit they would not have been thought of. The migrations of the productive class from Europe to the United States and especially to the state of New York, of late years, have been considerably augmented by reason of the Canals and Railroads carried on in different parts of the Union. To the commerce long established, carried on with the north west territories, great additional facilities will be afforded in the means of transporting goods and stores upwards and furs downwards, a region will be opened to the inquiries of the active and enterprising which is as yet but little known to Europeans. "Upper Canada" according to the statement contained in the report of the Joint Committee of the Legislature of this Colony of 1825 on internal navigation "contains an area of about 50,000 square miles" "regarding only those parts of it within the great waters which appear to be capable of cultivation," "the soil of which is with very little exception most favorable to agriculture, and the climate being equally propitious, there is no doubt that when sufficiently peopled, its productions and consequently its trade must be immense." The character and happiness of the people is intimately concerned in the extension of agriculture and the increased productiveness of the soil, and hereafter the wheat raised on the banks of the Lakes Huron and Ontario will enter into successful competition in the markets of Great Britain with that of New York and Baltimore, of Dantzic and Odessa, and a commerce be established through the Welland Canal alike important to the Merchant and beneficial to the Agriculturist. With the pecuniary affairs of the Canal, the system of letting out Contracts, the mode of measuring the excavations, and of conducting its business generally, I have but a very slight acquaintance, but shall endeavour to inform myself on these points before transmitting to your Excelleny my concluding Report upon its condition. The Tolls during the present season will not be a fair criterion by which to calculate the commerce of future years, large quantities of produce have already passed downwards by the portage at Queenston, the owners being generally anxious to reach the market as early in the season as possible. In the Ohio, one house alone was prepared to have sent through the Canal to Oswego four or five thousand barrels of Pork had the navigation been open on the 15th inst. Economy in the expenditures of money, moderate rates of toll, and a prudent careful mangement of the affairs of the Canal may enable the Stockholders before long to divide a fair percentage annually, after paying interest on Loans and the necessary charges for officers and servants. The future usefulness of the Welland Canal will greatly depend upon the removal of the obstructions which now impede the navigation of the Saint Lawrence below Prescott.—In time of war the Rideau Canal may be eminently serviceable and the expenditure laid out in its construction is enriching the colony; but it is to the Saint Lawrence we must look for the cheapest and

best mode of conducting to the Montreal and Quebec markets the produce of the vast countries bordering upon the great Lakes, and of receiving the most bulky and heavy of our imported merchandize. It is the shortest and most direct route to the Atlantic, and the natural channel of the countries on its banks.—When a Schooner can take in a load of wheat on Lakes Erie or Huron, and proceed to Montreal without transhipping her cargo until she is placed at the side of the vessel that is to convey it to Europe, an immense benefit will have been conferred on these colonies, and a stream of commerce directed, at a comparatively trivial expense, to the greatest emporium of British manufactures and merchandize in British North America. The expense of improving the Saint Lawrence is *as nothing* when compared with the advantages that its uninterrupted navigation would confer. Capt. Bazil Hall, in his observations on the Canals of Canada, seems to have been fully aware of the value of the Welland, and how much its future usefulness would be increased by the improvement of the St. Lawrence. The most obvious and natural, and which will soon be the most advantageous communication with the sea," observes Capt. Hall, "is that, by the river Saint Lawrence. One grand step towards the accomplishment of this object which is of the highest importance, not only to the Canadas, but to the parent state, has already been made by the construction of the Welland Canal, as it links together all the upper Lakes by means of a ship Canal with Lake Ontario. Were the navigation of the river Saint Lawrence unimpeded, during its course from Lake Ontario to the sea, there would be nothing farther to desire on that point, and Upper Canada would then virtually be what it ought to be, but what it certainly is not at present in any sense of the word: a maritime Province of Great Britain.—The advantages to the Colony, and also to the mother country, which would flow from the increased facility of commercial and other intercourse between them, which these channels would open, are more considerable than many people are aware of: It may be worth while, therefore, to consider the means which it is proposed to adopt, in order to facilitate the direct intercourse between Great Britain and Upper Canada." The opening of a navigation which is now about to carry the ships of Lake Ontario to the rapids of St. Mary, and eventually to the remotest shores of Lake Superior, will form an important era in the history of Canada "futurity will disclose the benefits it will produce, and experience will pronounce an unerring decision." A vessel arriving at Buffalo or Black Rock with goods or produce for New York, transfers her cargo in the Canal Boats, from whence at Albany they are transhipped into Schooners or Tow Boats and pay treble freight.—The Welland Canal will carry produce from the most remote inlet on Lake Huron to the Port of Prescott; and as soon as the Saint Lawrence shall have been improved, to Quebec or Halifax in the same bottom in which it was at first shipped. Men of business will readily perceive what an important advantage will thus be gained in the saving of double or treble freight.

In concluding this Report I beg leave very respectfully to congratulate your Excellency upon the prosperous and forward condition of the Canal generally, I feel that it will daily deservedly become more and more an object of public confidence and of public interest:—and should this plain statement of facts, prove successful in removing, in part, the doubts of some and the fears of others, with regard to the stability of the works, I would be pleased and gratified. When the Canal is opened and has practically manifested its usefulness, for strengthening the ties of social connexion, for promoting and encouraging the progress of the arts of civilized life, for advancing the great interest of productive industry, and for establishing the blessings of easy intercommunication within the Province, then will it be considered that the grand system of internal improvements has had a fair and successful trial amongst us, and that the policy of continuing the line from Erie to the ocean has obtained in its favour the test of experience. Should the junction of the great Lakes with the Atlantic, by the line of Ship Canals thus happily begun be accomplished during your Excellency's administration of this Government, your Excellency by promoting and encouraging the great work would deserve the lasting gratitude of the colonist, and the approbation of the British Nation.

ROBERT RANDAL.

Chippawa, May 31st, 1830.

YORK, UPPER CANADA, *5th February*, 1831.

SIR,

I have the honor to transmit to you for the information of His Excellency the Lieutenant Governor, the enclosed Report of the Welland Canal, being the second Report I have furnished as Commissioner appointed by the Legislature.

The various documents alluded to in this Report, are herein enclosed. In performing the various and arduous duties entrusted to me, I hope I have not failed to afford His Excellency every information connected with the Welland Canal, which has required my constant attention since I first commenced my duty as Commissioner, about the beginning of April last.

I have disbursed expenses &c. as per accounts and vouchers, the sum of £201 16 10 Currency, leaving a balance due me from warrant for £200 of £1 16 10 Currency, I beg leave to request you will be pleased to call the attention of His Excellency to the favorable consideration of my services, and to direct such remuneration to be made me, as His Excellency may think fair, with a just view of the labor and responsibility which has devolved upon me

I have the honor to be,
Sir,
Your most obedient,
Humble Servant,
ROBERT RANDAL,
Commissioner for the Welland Canal.

Z. MUDGE, Esq.,
P. Secretary,
&c. &c. &c.

To his Excellency Sir John Colborne, K. C. B., Lieutenant Governor of the Province of Upper Canada, Major General commanding His Majesty's forces therein, &c. &c. &c.

May it please Your Excellency,

The report which I had the honor to lay before your Exceellency eight months ago, contains a full account of my proceedings under the authority of the Canal act up to that period. The following statements are a continuation of the same subject:—In November last I examined the Deep Cut, and found that its banks had sustained no additional injury but that they remained in the condition stated in my former report.

Since the month of July last, 797 cords of stone have been laid on the dam at Dunnville, in the Grand River—that work is now in good condition, substantial and likely to prove permanently useful, it may possibly require a few additional cords of stone yearly, for eight or ten years to come. The inclined plane at or near its centre, is 70 feet long, and 30 wide, having a fall of one foot in ten: at each end of the dam is an abutment filled with stone. The embankment has been improved within the last eight months; it is now 1500 feet in length, 75 feet wide at base, and 15 at surface, 12 feet high, with a piling for a break-water extending from the dam three-fourths of its length, three waste-wiers are placed at the south side of the dam, one of which is 150 feet, one 130, & the 3rd, 210 feet in length. At Dunnville there are three saw-mills, a grist mill, and carding machine, all of them in full operation. The state of the locks justifies the expectations I formerly expressed, with some little repairs they have been kept in good order during the past season, the feeder extending from Grand River to Robinson, is in length about 26 miles, and varies in depth from 4 to 6 feet, it also answers the purpose of a boat navigation. From Broad Creek to the aqueduct the width of the feeder or boat canal is from 36 to 44 feet at the surface. From the head of the Barefoot rapids, on the Grand River down to the dam at Dunville, there is a fall of 29 feet. To obtain a feeder from these rapids for the Welland Canal, would, according to the estimate of Mr. Geddes, in 1828, cost upwards of £50,000. To make the Grand River navigable from Brantford to Dunville, for boats, it is estimated by Cusack and Lewis, that 8 or 9 locks of 4 to 5 feet lift, would be required, with dams involving an expenditure of £17,500. A towing path is now in progress from the Grand River dam to the mouth of the river, a distance of 4¾ miles, the expense is estimated at £500. From 5 to 6 thousand dollars are to be expended in a dredging scow, long boats and ware houses, at the mouth of the Grand River, by which to hasten the transit of goods and produce between Lakes Erie and Ontario at the opening of the navigation in the Spring. The towing path from the locks at the head of the Deep Cut to the mouth of the Chippawa Creek, will cost about £1,000, two-thirds of this distance have been completed. A detailed statement of the improvements made within the last 8 months, or in progress at Port Dalhousie, is annexed to this report, and marked A. In September last I accompanied Mr. Samuel Keefer, the Engineer, in a survey of the north shore of Lake Erie and the Niagara river; from the mouth of the Grand River to the mouth of the Welland, the distance being 61 miles 13½ chains, the particulars of that survey are appended to this report marked B.

Messrs. McDonell, Barrett, Lefferty and myself were appointed by the Board of Directors a committee to examine and report on the damages sustained by the Indians and others in consequence of raising the dam at the Grand river; and as an enquiry into complaints made by individuals of injury done them by the operations of the Company became a part of my duties under the Canal Act,—I accompanied Mr. George Keefer, junior, and Mr. McDonell, in August last, on a survey and examination of the drowned lands on the Grand River up to the head of the Delaware flats. A copy of Mr. Keefer's estimates, with remarks, is herewith submitted to your Excellency's consideration numbered or marked C.

In the months of September and October last, I took soundings at the mouth of the Grand river, at the sand bar, at its entrance. The depth of the channel is 4 feet and it shifts its place—The width of the bar is a chain and a half; and twenty chains from the mouth of the River the depth is 15 feet on the bar; in other places than the channel, the depth varies from 1½ to 3½ feet. I examined the several bays and inlets on the lake, commencing with the Bay in front of Furry's lot, Township of Moulton, Boulton's tract. At a distance of 300 feet from the beach or north shore, the depth of water increases from 4 to 10 feet; at 900 feet distance the depth is 14 feet, and at 1600 feet it increases to 22 feet; this bay is much exposed to South West winds, its bottom is rocky. Boulton's Bay in the same township, is in front of lot No. 5, Boulton's tract; at a distance of 90 feet from the beach or north shore opposite Cranberry Creek, the depth of water is 4 feet; thence out 150 feet, the depth increases to 5½, 6 and 6½; in the centre of the bay, at 300 feet 7½, at 600 feet 9, at 900 feet 10, a quarter of a mile from the shore the depth is 14 feet, and 70 chains out it is 5 fathoms; this bay is well covered from south west and westerly winds by Bluff point, and by a small point below Furry's; it has a sandy bottom. An estimate of the expense of completing the canal to this bay, is attached to this report and marked F. My remarks on Kinnaird's bay, and Graybiel's bay, together with estimates by the Engineer are entered in the Appendix marked D. and E.

Gravelly Bay is situated in the township of Humberstone, in front of Lots No. 26, 27, and 28. It seems formed by nature for a Harbor, being protected on the West and South East sides by rocky shoals, the first extending 550 yards from the shore ino the Lake, and the 2nd 570 yards. Between the extreme points of these shoals there is a grand entrance of 620 yards into deep water, a capacious basin with a sandy bottom. A description of Gravelly bay with the soundings and distances, will be found on the map of the Niagara peninsular, which accompanies this report.—It will thence be seen that the depths of water, at the entrance of bay between the shoals, varies from 8 to 25 feet, leaving a channel adapted to ships of any burthen; that the soundings in the bay from the north shore in a line to the entrance 770 yards, varies from 7 to 25 feet; that from the beach at lot No. 27, traversing the curve of the bay to the South Eastern shoal, midway, the depths are 7, 10, 11, 12, 11½, 10½, 11, 13, 12, 11; that on

posite Steele's Tavern, between lots 29 and 30, west beyond the bay, the depth of water 300 feet out in the lake is only 5 feet; that 450 feet out it is a fathom; 600, 7 feet; 900, 11 feet; 20 chains, 14 feet; 40 chains, 3 fathoms; and that 200 yards south of Sugar Loaf point, which lies in a south west direction from the North shore of the Bay,—the depth of water is 7 feet; 440 chains out, it is 10 feet.

The land adjacent to *Gravelly Bay*, is, first a narrow ridge or bar of sand; then descending to a marsh, beyond which is a swamp; Gravelly Bay appears to me to possess very superior advantages for a harbor at which to terminate the ship canal: it is the best and the deepest on the coast and also the nearest to the aqueduct. The line of cutting described on the map extends 5 miles 1320 yards to the nearest point of the ship canal, but as it is probable, that in choosing the most favorable ground for excavation it would be found expedient to depart from a straight course, the extent of Canal to be made might perhaps exceed in length six miles (see Appendix G.) I personally examined the route from Boulton's Bay across the country to the Canal feeder, also the surveyed routes from Kinnaird's, Graybiel's and Gravelly bays, to where they intersect the Canal. I have reason to believe the Reports of the Engineers. concerning these routes, to be generally correct; with regard to the estimates of expense of excavation, they are at best conjectural. The distance that would be saved in navigating the Canal from Lake to Lake by opening a sloop navigation, on the shortest route from Lake Erie to Lake Ontario, would be 41 miles 37 chains. I have examined into the mode of doing business, letting out and measuring work done by Contract and generally into the pecuniary affairs of the Canal and find no great cause of complaint. In the statements of the last annual Report of the Canal Directors I fully concur, and consider their intended application for a further Loan justified by the condition of the work and the advantages that are anticipated from its early completion.

This Report is accompanied by a profile of the Canal, a map of the Niagara Peninsula, and an official copy of the Report of the Board of Directors of the Welland Canal hereinbefore referred to.

ROBERT RANDAL.

York, 4th February, 1831.

The Government of Upper Canada in Account with Robert Randal, Commissioner appointed to examine and Report on the Welland Canal, under authority of an Act of the Parliament of this Province.

				Dr. £	s.	d.
1830						
June 1st,	To personal expenses for self to this date, stage hire, waggon and horse hire, postages, passage to York, and a variety of other individual charges incurred during the survey, ...	Voucher	1	27	10	0
" "	To Frederick Smith, attending survey,.....	"	2	3	10	0
" "	" N. B. Goodell, Carpenter,.....	"	3	3	10	0
	" Thomas Hornor, Esq., assisting in examing canal at my request and expenses,.....	"	4	36	5	0
	" Thomas Vaux, copying part of the Report,.....	"	5	0	10	0
	" Thomas Lunham, do. do.	"	6	0	10	0
	" W. L. Mackenzie, acting as Secretary to the Commissioner, and assisting in examining the canal, with expenses to 1st June, 1830,	"	7	34	0	0
1831						
Jan. 19th	" Samuel Keefer's account, 27 days drawing plans and writing,...	"	8	13	10	0
" 18th	" F. Smith, 2nd account, ...	"	9	11	0	0
" 20th	" Robert Campbell's account, expenses, ...	"	10	11	14	5½
Feb. 4th	" Personal and other expenses of Commissioner, since June 3rd, 1830	"	11	59	17	4½
1830			£	201	16	10
June 2nd	By His Excellency the Lieutenant Governor's warrant, dated this day, on account expenses attending Commission,.....			200	0	0
	Expenses due the Commissioner, ...	Currency	£	1	16	10

Errors excepted.

RGBERT RANDAL,

Commissioner for the Welland Canal.

A.

Improvements made within the last eight months, or in progress at Port Dalhousie.

The west pier has been extend 25 feet, and the east pier 56 feet—workmen have also been employed in filling in these piers, and in dredging between them to about 9 feet water.

The expense incurred is as follows:

Dredging 694 yards,	$964 00
Stone, 132 cords at $3½	463 33
Davis's bill, extending piers,	882 39
Hepburn's bill, wages, &c.	169 00
	$2478 72/100

B.

Survey of the shore of Lake Erie from the mouth of Grand River to Fort Erie and thence down the Niagara River to the mouth of the River Welland, as taken by Samuel Keefer.

No. of stations	Courses.	Distances.	Remarks.
		chs. links.	
1	N. 89 d. E.	7,50	Commencing at the Western Extremity of the bar on W. side of River.
2	N. 75 d. ¾ E.	8,50	From the end of Sta: 1 to W. Grand River pt S. 59¼d. W.
3	N. 60 d. ¼ E.	2,82	To Bank of Grand River.
4	S. 47 d. ½ E.	1,70	Across the River.
5	S. 1 d. E.	3,87	Along the River.
6	S. 54 d. ½ E.	6,48	Along the Lake shore to Eastern end of the bar.
7	S. 62 d. ¼ E.	39,50	Along shore of Lake.
8	S. 57 d. ¾ E.	15,00	Do.
9	S. 51 d. E.	35,00	Do.
10	S. 44 E.	20,00	To Montague's clearing.
11	S. 39 E.	15,50	To Eastern point of Grand River Bay, the bank about 25 feet high and a shoal of Rock projects into the Lake in a southerly direction 3 feet above the waters, at foot of Bank, and slopes off to water level at the distance of 5 chains, and with the same slope projects into the water.
12	S. 4 ½ E.	4,87	To the middle of the point of rocks.
13	S. 59 E.	5,00	From here to W. Grand River point, S. 85½ W.
14	S. 88 ½ E.	9,00	Around Point Aux Barbet.
15	S. 69 ¼ E.	14,80	To the Western point of Mohawk Bay—S. 68½ E. to Gull Island.
16	N. 42 E.	3,00	Around Mohawk Bay, steep clay banks, with rugged rock at water edge, acute angles of which are alternately projecting into the water, wood land the whole distance.
17	N. 18 E.	5,50	
18	N. 45 ½ W.	2,50	
19	N. 1 E.	8,00	
20	N. 36 W.	2,50	
21	N. 24 E.	2,35	
22	N. 25 ¼ W.	4,00	
23	N. 27 ¼ E.	3,50	
24	N. 55 ½ E.	7,00	
25	N. 72 ¾ E.	9,05	
26	N. 43 ¼ E.	2,90	
27	N. 10 ¼ E.	7,50	
28	N. 22 ¾ E.	8,00	
29	N. 2 ½ E.	5,50	No more rock, steep clay banks.
30	N. 5 W.	1,21	To top of bank.
31	N. 45 E.	4,00	Along top of bank.
32	N. 55 ¼ E.	10,50	do.
33	N. 66 ¼ E.	8,50	do.
34	N. 76 ½ E.	12,50	do.

No. of stations	Courses.	Distances	Remarks.
		chs. links.	
35	N 84 ¾ E	16,00	A long top of Bank.
36	S 73 ¼ E	2,50	do.
37	S 80 ¾ E	12,50	To clay bank settlement, bank 30 to 50 feet high.
38	S 76 E	19,50	
39	S 52 ¾ E	58,60	Cross the highest ridge of Land, which is about 90 feet above the water— from here to Gull Island S. 42¾ W.
40	S 70 ¾ E	2,90	Along the bank about 30 feet high.
41	S 68 E	7,00	
42	S 64 E	4,14	Down the bank to the beach.
43	S 80 E	26,50	Along the beach.
44	S 70 10 E	21,50	do
45	S 58 ¾ E	21,00	To Big, or Lopps Point N. 83¼ E. to Point Industry.
46	N 41 ¼ E	8,00	Rocky shore.
47	N 71 ¼ E	12,50	do
48	N 34 ½ E	6,00	do gravelly.
49	N 27 ½ E	8,00	do
50	N 25 E	12,50	Gravelly beach.
51	N 10 E	16,76	do
52	N 48 E	9,25	do
53	N 15 ½ E	9,07	do
54	N 12 ¼ E	11.59	do
55	N 2 E	17,80	To 2 chains east of line between Boulton and Street.
56	N 50 E	13,50	
57	N 58 E	13,00	Along in Front of Furry's house.
58	N 68 E	15,45	
59	N 11¼ E	14,03	
60	N 52 E	20,00	
61	N 53 ¼ E	16,50	
62	N 63 ¾ E	17,00	
63	N 18 ¼ E	6,76	
64	N 25 ¼ W	6,76	Around Hoover's or Bolton's bay
65	N 6 ¼ E	4,50	do
66	N 43 ¾ E	8,00	do
67	N 71 E	17,00	do
68	N 84 ¾ E	14,00	do
69	S 85 ¾ E	19,50	do
70	S 77 E	24,50	9'50 to line between Moulton and Wainfleet.
71	S 63 ½ E	26,50	
72	S 54 10 E	26,00	To little Point, Bear Isl. opposite.
73	N 51 ¾ E	4,50	Rocks.
74	N 17 ¼ E	7,66	do
75	N 65 ½ E	14,50	Along the long beach.
76	N 86 ¾ E	21,10	do
77	S 76 ¼ E	25,00	do
78	S 68 ½ E	29,00	do
79	S 62 ½ E	22,50	do
80	S 52 ¼ E	30,00	do
81	S 49 ½ E	15,16	do
82	S 3 ¾ E	7,00	Around Neff's Point—rocks
83	S 41 ¼ E	11,50	do do
84	S 71 ¾ E	7,50	do do
85	N 76 E	10,48	do do
86	N 47 ¾ E	16,80	do do in front of Saml. Graybiel's.
87	N 39 E	22,50	do do Kinnaird's.
88	N 86 ¾ E	11,50	Around Kinnaird's bay gravelly beach.
89	S 79 ¾ E	15,00	do do
90	S 67 ¾ E	19,00	do (30 ft. water in this bay) do
91	S 58 ¾ E	22,50	do do
92	S 53 ¼ E	10,50	Around Kinnaird's bay.
93	S 52 ½ E	15,50	do
94	S 45 ½ E	13,50	do
95	S 26 E	15,10	To Point Industry,—rocks.
96	S 40 E	4,10	Around do do N. 77 W. to Neff's Point S. 83½ W. to Big point.
97	S 70 E	6,65	do do
98	N 34 E	4,80	do do

No. of stations	Courses.	Distances	Remarks.
99	N 26 E	8,00	Around P't Ind'y—rocks. N. 77 W. to Neff's point S. 83½ W. to big point.
100	N 8 E	12,50	Past Morgan's house.
101	N 49 ¼ E	8,00	Rock shore.
102	N 22 ½ E	7,38	do
103	N 50 E	9,81	Around Graybiel's bay,—rocks.
104	N 29 ½ E	10,50	do do
105	N 22 ¾ E	7,64	do do
106	N 36 E	18,00	do do
107	N 9 ½ E	6,45	do do
108	N d. ½ W	8,00	do do
109	N 57 E	18,00	do do
110	N 70 d. ¾ E	11,50	do no Rock.
111	N 82 ½ E	7,50	do do
112	N 81 E	11,60	do do
113	S 88 ½ E	15,08	do do
114	S 84 ¼ E	14,21	do do
115	S 44 ¼ E	5,38	To. Greybiel's Point—Rocky.
116	N 76 E	11,66	Along in ft. of Greybiel's house.
117	S 82 ½ E	8,30	Around Greybiel's Point.
118	N 69 ½ E	13,28	do
119	N 36 E	12,58	Along the beach.
120	N 68 E	17,63	do
121	S 80 d. 50 E	24,00	do } High sand banks next to the water—I. Steel's extensive
122	S 63 ¼ E	27,50	do } Mill pond in rear.
123	S 55 ¼ E	27,50	do
124	S 38 E	6,80	To a little Point—Rocky.
125	N 83 ½ E	13,00	Around do do
126	S 66 ¼ E	7.21	3,50 to Township line between Wainfleet and Humberstone.
127	S 43 E	8,66	To Sugar Loaf Point.
128	S 63 E	6,29	Around do S. 75½ W. to Morgan's Point (Point Industry) S. 86 E. to Cassady's Point, S. 74¾ E to Point Abino.
129	N 57 ¾ E	14,50	Around Sugar Loaf Point.
130	N 11 W	11,00	do
131	N 45 E	13,86	do
132	N 29 ¾ W	7,50	do
133	N 37 ¼ E	10,67	Along in front of Steel's Mill.
134	N 72 ½ E	12,00	
135	N 85 ½ E	24,59	To small Point, Rock projecting into the Bay southerly.
136	N 55 ½ E	9,50	Past Steel's Tavern.
137	N 82 ½ E	10,70	
138	S 76 E	8,44	
139	N 88 ½ E	13,56	To Point—Rocks projecting into the Lake Southerly.
140	N 65 E	6,31	Around Gravelly Bay.
141	S 82 E	8,50	do
142	S 53 ¾ E	22.00	do
143	S 47 E	7,50	do
144	S 17 ¼ E	10,00	To half way point, a shoal of rocks projecting into the Lake S. 60 W. from here to Cassady's Point, S. 64 E.
145	N 60 ¾ E	5,00	
146	N 82 ½ E	19,00	
147	S 65 ½ E	33,00	
148	S 44 E	43,00	To Cassaday's point, rocks.
149	S 63 E	12,00	Around do. S. 69¾ E. to Point Abino.
150	N 6 W	9,00	
151	N 37 E	12,00	
152	N 71 ½ E	14,00	
153	N 83 E	15,00	
154	S 85 d. 10 E	26,00	
155	S 60 ½ E	24,50	
156	S 40 E	11,00	To Denis' point.
157	N 87 E	20,50	Around do.
158	N 74 ¾ E	18,00	
159	N 48 ¼ E	18,00	
160	N 2 ¾ W	7,50	
161	N 62 ¾ E	16,00	

No. of stations.	Courses.	Distances.	Remarks.
		chs. links.	
162	S 77 d. 50 E	30,00	To a point.
163	N 40 E	21,00	Along beach.
164	S 79 E	48,00	do.
165	S 56 d. 20 E	34,00	do.
166	S 47 E	59,00	To Forsyth's Point.
167	N 79¼ E	15,00	Around do.
168	S 76¼ E	39,79	Along the Beach.
169	S 62 E	27,00	do.
170	S 42½ E	62,00	do.
171	S 34 40 E	60,00	do.
172	S 8¼ E	41,00	To Point Abino, N. 83, W. to Point Industry.
173	S 74½ E	13,50	Around do.
174	N 45 E	18,00	do.
175	N 34 E	31,00	do.
176	N 24 W	12,00	do.
177	N 53½ W	12,00	do.
178	N 49¼ W	11,00	do.
179	N 2¾ W	48,50	do.
180	N 43½ E	21,00	Around Point Abino Bay.
181	N 60¾ E	30,00	do.
182	N 81¼ E	38,00	do.
183	S 87¼ E	35,50	do.
184	S 65 20 E	34,50	do. to Horn's Point, S. 49¼
185	N 63 E	17,00	W. to Point Abino.
186	N 37 E	23,00	
187	N 62½ E	14,00	
188	N 16 E	14,00	
189	N 68½ E	26,00	
190	N 33½ E	10,00	
191	N 67 E	12,00	
192	N 48½ E	12,50	Opposite Peter Horn's.
193	S 87 E	25,00	
194	S 70 20 E	31,00	Across 6 Mile Creek.
195	S 55½ E	28,00	To Kettle Point, S. 61 W. to Point Abino.
196	S 72 E	29,00	
197	N 78½ E	13,00	
198	N 20⅓ E	14,00	
199	N 55¾ E	14,00	
200	N 44¾ E	9,00	
201	N 79 E	9,50	
202	N 9½ W	12,00	
203	N 40 E	12,00	Along in front of Capt. Baxter's House, Lot No. 12.
204	N 69¾ E	28,50	
205	S 84 E	33,00	To a little Point.
206	N 63¾ E	19,00	
207	S 67¾ E	18,00	To a little Point.
208	N 87½ E	10,00	
209	N 18 E	13,00	
210	N 44 E	16,00	
211	N 79½ E	20,00	
212	S 73¾ E	14,00	
213	S 51 E	34,50	To Point, S. 68½ W. to Point Abino.
214	N 83¾ E	7,00	
215	N 50¼ E	20,00	
216	N 84½ E	29,00	To D'amour Point.
217	N 74½ E	28,50	Around do.
218	N 57 E	24,00	do.
219	N 48½ E	17,00	To Maxwell's Inn, Fort Erie, 3 miles to Buffalo.
220	N 27¼ E	24,00	To the Fort.
221	N 1¾ W	22,50	Down Niagara River.
222	N 43¾ E	20,00	do.
223	N 29 E	39,00	do.
224	N 57 E	25,00	Through middle of street at Waterloo, to Kerby's office.
225	N 4½ E	25,00	Down street.
226	N 70½ W	21,00	To Lewis' Tavern.

No. of stations.	Courses.		Distances.	Remarks.
228	N 30	W	12,00	Down bank of River.
227	N 8	W	57,00	do.
229	N 13½	W	31,00	do.
230	N 39¼	W	20,00	do.
231	N 52½	W	19,00	do.
232	N 39½	W	40,00	25 chains to Frenchman's Creek.
233	N 45¾	W	26,00	To. P. Wintermute's house.
234	N 69¾	W	26,00	N. 10, E. to head of Grand Island.
235	S 88	W	23,00	To McAfee's.
236	S 81	W	28,00	Down River.
237	N 79	W	38,00	do.
238	N 66	W	32,00	do.
239	N 48¾	W	24,00	do.
240	N 34¼	W	24,00	10 chs. to Pew's Creek.
241	N 1	E	23,50	
242	N 36¾	W	23,00	5 chs. to Township Line between Bertie and Willoughby.
243	N 46½	W	19,00	Low Land to right 6 chains wide.
244	N 56½	W	15,00	To W'd. Palmers.
245	N 77½	W	9,00	
246	N 73¾	W	54,00	
247	N 77¾	W	30,00	
248	N 57¾	W	17,00	
249	N 62½	W	29,00	
250	N 45¾	W	35,00	32 chains to Black Creek.
251	N 22	W	41,00	To. W'd. Shop's Tavern.
252	N 2¾	W	18,00	
253	N 6½	E	23,00	
254	N 12½	W	39,00	
255	N 5	W	23,00	
256	N 7¾	E	11,00	
257	N 8	W	50,00	
258	N 25¾	E	39,50	
259	N 40¾	E	35,00	
260	N 28	E	34,00	
261	N 11½	E	28,00	N 35 E. to head of Navy Island.
262	N 4¾	W	27,00	N 58¼ E. to head of " "
263	N 23¼	W	26,00	
264	N 32½	W	70,00	17 chs. to Usher's Creek 37 to Misner's Inn N. 67 E to Lr. end Navy Island.
265	N 67	W	11,50	
266	N 84¾	W	36,00	
267	N 70¼	W	23,00	To Canal at mouth of Chippawa.
268	S 62	W	11;00	To tree in frt. of Cummings House.
269	S 38½	W	15,00	To road at Secor's Tavern, Chippawa.
			4893,50 =	61 miles 13½ chs. from mouth of Grand River to mouth of Welland River via. the Lake coast.

October, 1830.

SAMUEL KEEFER.

(C.)

At the request of the Committee appointed by the Board of Directors of the Welland Canal Company, to examine and report on the damages sustained by the Indians and others, in consequence of raising the Dam on Grand River, I beg leave to state, that, in September, 1829, when the water had raised two feet on the Dam, I made a survey of all the lands as far up as Norton's Flats, which had been or would be overflown by the water in the Dam. The grain then destroyed is submitted in Statement No. 1. The number of acres of land covered, as per Statement No. 2. In the month of August last (1830) in company with Messrs. Randal & M'Donell, I concluded my survey of all the drowned lands up to the head of the Delaware Flats, the water then being up to its full height, this is also continued in Statement No. 2. I have also examined the claims of sundry individuals, presented by the superintendent of the six nations, on which I have given my opinion, on what appears just, to be allowed in Schedule No. 3.

STATEMENT No. 1.

NAMES.	Amount. £	s.	d.	REMARKS.
Joseph Downey, 20 bush. buckwheat at 1s. 3d	1	5	0	
John Lymburner, 40 bushels corn, at 1s. 10½d	3	15	0	
John M'Donell, 4 tons hay, $3	3	0	0	Marsh hay inferior quality,
Henry Docksteder, ½ acre buckwheat	0	12	6	20 bushels per acre, at 1s. 3d. per bushel.
Henry Docksteder, 3 tons marsh hay, $3	2	5	0	
Barton Far, 1½ acres corn	2	16	3	Allow 20 bush. per acre, at 1s. 10½d per bush.
Barton Far, ½ acre oats, 10 bushels	0	12	6	At 1s. 3d. per bushel.
Avary Burnham, 3½ acres corn	6	0	0	
Avary Burnham, 2½ acres oats	3	2	6	
Avary Burnham, 3 tons hay, $4	3	0	0	
Avary Burnham, 20 bushels potatoes	1	5	0	Estimated at 1s. 3d.
Lummis, 1 ton hay	1	0	0	
Lummis, 20 bushels potatoes	1	5	0	
Lummis, 10 bushels corn	0	18	9	
John Curley, 15 bushels corn	1	8	1½	
John Curley, 10 bushels oats	0	12	6	
James M'Donell, 1 acre corn, 20 bushels	1	17	6	
James M'Donell, 10 bushels potatoes	0	12	6	
John L. Campbell, 10 bushels corn	0	18	9	
John L. Campbell, 30 bushels oats	1	17	6	
Caleb Taylor, 20 bushels oats	1	5	0	
William Cook, 10 bushels corn	0	18	9	
Burzee, 30 bushels corn	2	16	3	
Samuel Billings, 20 bushels corn	1	17	6	
Daniel Thompson, 10 bushels corn	0	18	9	
John Singer, on J. Burnham's land, 1¾ acres corn, 35 bushels	3	5	8	
Ditto, 20 bushels oats	1	5	0	
Ditto, 2 tons hay	2	0	0	At the time this estimate was taken the water was up as high as to reach the foundation of the stacks, and I think very little of the hay was ever taken away.
Lyman Burnham, 180 bushels corn	16	17	6	
Lyman Burnham, 8 tons hay, at 25s	10	0	0	
Henry Matthews, 2½ acres corn, 50 bushels	4	13	9	
Henry Matthews, 40 bushels oats,	2	10	0	
William Anthony, 3 tons hay, 20s	3	0	0	
Salmon Miner, $1\frac{1}{10}$ acres cultivated land, 50s.	2	15	0	North side of river.
John M'Donell, 4½ acres cultivated land, 50s.	10	12	6	
Six nations, 5 acres cultivated land, 50s	12	10	0	
Ditto, $24\frac{1}{10}$ acres uncultivated land, 25s	30	2	6	
Ditto, $4\frac{37}{100}$ acres ditto, south side of river	5	9	3	
Joseph Downey, $8\frac{28}{100}$ acres cultivated land 50s	20	14	0	
John Lymburner, 2 acres cultivated land	5	0	0	
Henry Docksteeder, $5\frac{1}{10}$ acres ditto, 50s	12	15	0	
Ditto, $1\frac{8}{10}$ acres uncultivated land, 5s	2	5	0	
Barton Farr, or John Farr, 7½ acres cultivated land, 50s	18	15	0	
Avary Burnham, 12 acres cultivated land, 50s	30	0	0	
Lummis, $8\frac{35}{100}$ acres cultivated land, 50s	20	17	6	
John Burnham, $6\frac{6}{10}$ acres cultivated land, 50s	16	10	0	
John Burnham, 6 acres cultivated land, 50s	15	0	0	South side.
John L. Campbell, 10 acres ditto, 50s	25	0	0	
Ditto, 2½ acres uncultivated land, 25s	3	4	0	
John Curley, 7 acres cultivated land, 50s	17	10	0	North side.
Ditto, 25¼ acres cultivated land, 40s	30	10	0	South side.
Ditto, 2 acres uncultivated land, 20s	2	0	0	South side.
John Delare, $5\frac{67}{100}$ cultivated land, 50s	14	3	6	
Benjamin Delare, $2\frac{65}{100}$ acres cultivated land, 50s	6	12	6	
James M'Donell, 2 acres cultivated land, 50s	5	0	0	
Oliver Burnham, $3\frac{60}{100}$ acres cultivated land, 50s	9	0	0	
Ditto, $2\frac{50}{100}$ acres uncultivated land, 25s	3	2	6	

NAMES.	Amount. £	s.	d.	REMARKS.
John Crooks, $5\frac{1}{10}$ acres cultivated land, 50s..	12	15	0	The qnantity of land actually drowned in the Norton Flats is less than was estimated in September, 1829, which may be seen by referring to my first statement.
Jabez Smith, 3 acres cultivated land, 50s....	7	10	0	
Abraham Huff, 9 acres cultivated land 50s...	20	0	0	
Ditto, 2 acres uncultivated land, 25s.....	2	10	0	
Benjamin Steward, $6\frac{1}{2}$ acres cultivated land, 50s	16	5	0	
John Huff, 15 acres cultivated land, 50s.....	37	10	0	
John Norton, 8 acres cultivated land, 50s....	20	0	0	
Augustus Jones, 5 acres uncultivated ditto, 25s	6	5	0	
Abner Decow, 2 acres cultivated land, 40s...	4	0	0	
Henry Huff, $4\frac{1}{2}$ acres cultivated land, 50s.....	11	5	0	
Abraham Huff, 3 acres cultivated land, 50s...	7	10	0	Lands..... £468 7 0
Ditto, $2\frac{3}{4}$ acres uncultivated land, 25s.....	3	8	9	Grain, &c..... 89 12 6
	557	19	6	£557 19 6

N. B.—In addition to the above, Benjamin Canby will have between three and four acres of wood land drowned, worth 20s. per acre, adjoining the dam, and Dr. Muirhead, about three acres on the flats, but the remainder of these lands being so much increased in value, by the location of the dam, that in justice I do not think they can have any claim.

NAMES.	Amount. £	s.	d.	REMARKS.
W. Anthony, 2 acres of cultivated land, 40s..	4	0	0	South side of Grand River, surveyed in the month of September, 1829.
Henry Matthews, 23 acres cultivated land, 40s	46	0	0	
Avary Burnham, $4\frac{9}{10}$ acres cultivated land, 50s	12	5	0	
Lyman Burnham, $25\frac{1}{2}$ acres cultivated land, 50s	63	15	0	
John Singer, or John Burnham, $6\frac{1}{2}$ acres cultivated land, 50s.....	16	5	0	
Ditto, 3 acres uncultivated land, 20s.....	3	0	0	
James Billings, or D. Thompson, $3\frac{4}{10}$ acres cultivated land, 40s.....	6	16	0	
Samuel Billings, 4 acres cultivated land, 40s..	8	0	0	
John Styers, $1\frac{1}{2}$ acres cultivated land, 40s....	3	0	0	
Burzee, $4\frac{1}{5}$ acres cultivated land, 40s.....	8	8	0	
Joe Monture, $4\frac{3}{10}$ acres cultivated land, 40s..	8	12	0	
William Cook, $5\frac{1}{2}$ acres cultivated land, 40s..	11	0	0	
Ditto, $3\frac{1}{2}$ acres uncultivated land, 20s.....	3	4	0	
James M'Glaughlin, $2\frac{70}{100}$ acres cultivated land 50s.....	6	15	0	South side of river.
Ditto, 3 acres uncltivated land, 20s.....	3	0	0	
Caleb Taylor, $5\frac{1}{2}$ acres cultivated land, 50s...	13	15	0	
Ditto, 1 acre uncultivated land, 25s.....	1	5	0	
Harry Gifford, $3\frac{61}{100}$ acres cultivated land, 50s	9	0	0	
Perry Gifford, $4\frac{73}{100}$ acres cultivated land, 50s	10	16	6	
Wilhelmus Freddenburg, 7 acres cultivated land, 50s.....	17	10	0	
John Hall, $1\frac{1}{2}$ acres cultivated land, worth 30s	2	5	6	South aide estimated in August, 1730, when the water was up to its full height.
William Holmes, 5 acres land, 30s.....	7	10	0	
Elizabeth Pooler, 5 acres land, 40s.....	10	0	0	
Rich Woman, $8\frac{86}{100}$ acres land, 25s.....	11	1	6	
Chief Petop, $4\frac{17}{100}$ acres land, 25s.....	5	4	3	Delaware Flats, 2d quality of land. North side of river.
John Bull, $2\frac{85}{100}$ acres land, 25s.....	3	11	3	
Widow Moses, $5\frac{60}{100}$ acres land, 25s.....	7	0	0	
Delaware Peggy, $3\frac{33}{100}$ acres land, 25s.....	4	3	3	When this survey was taken the water had risen to its full height, and a great proportion of the best lands on the Delaware Flats was not at all injured. The land estimated is of a second quality, being low and subject to be overflown spring and fall by the sudden rise of water
John Delaware, $3\frac{73}{100}$ acres land, 25s.....	4	12	3	
Jacob Hottenburgh, $5\frac{7}{10}$ acres land, 25s.....	6	7	6	
E. Jackson, $\frac{33}{100}$ acre of land, 25s.....	0	7	3	
Joe Jackson, 1 acre of land.....	1	5	0	
Joe Chew, 3 acres of land, 25s.....	3	15	0	
Serjeant Major, $3\frac{1}{10}$ acres land 25s.....	0	7	9	

NAMES.	Amount. £	s.	d.	REMARKS.	£	s.	d.
John Thompson's mother-in-law, $\frac{6}{10}$ acre of land, 25s	0	15	0				
Captain Charles, $\frac{45}{100}$ acres land, 25s	0	11	3				
Old Chief's daughter, $1\frac{1}{4}$ acres land, 25s	1	11	3				
John Wampum, $\frac{3}{10}$ acre of land, 25s	0	7	6				
Ditto, $\frac{75}{100}$ acre of land, island, 25s	0	18	2				
Hannah Docksteder, $1\frac{6}{10}$ acres land, 25s	2	0	0				
John Mosley, $2\frac{16}{100}$ acres land, 25s	2	14	0				
John Tunis, or Thompson, $1\frac{80}{100}$ acres land, 25s	2	5	0				
Hank Young, $\frac{9}{10}$ acres land, 25s	1	2	6				
Adam Potts, $3\frac{1}{2}$ acres land, 25s	4	7	6				
Shoemaker Snake, $\frac{6}{10}$ acre land, 25s	0	15	0				
Tom Snake, 1 acre land	1	5	0				
John Monture, $\frac{2}{10}$ acre of land, 25s	0	2	6				
George Anthony, $\frac{1}{10}$ acres land, 25s	1	7	6				
Delaware Nancy, $\frac{1}{2}$ acre land, 25s	0	12	6				
Totely Molly's grandson, 2 acres of land, 25s.	2	10	0				
John Cornelius, $\frac{1}{4}$ acre of land, 25s	0	6	3				
Captain Cornelius $\frac{1}{4}$ acre land, 25s	0	6	3	nds,	£816	7	3
Jack Cornelius, $\frac{1}{4}$ acre of land, 25s	0	6	3	Grain, &c.	89	12	6
	905	19	9		£905	19	9

STATEMENT No. 3.

STATEMENT of the Amount of Claims presented by the Superintendent of the Indians, with my opinion thereon.

NAMES.	Amount claimed £	s.	d.	Amount allowed £	s.	d.	REMARKS.
Old Charles, $\frac{1}{2}$ acre corn, 15 bushels	1	17	6	1	5	0	In the first place the dam
John Delaware, 20 bushels corn, 2 do. beans	3	0	0	1	10	0	was not closed until the 1s Oc-
Jane Jackson, $\frac{1}{2}$ acre corn, 2 bushels beans	2	7	6	1	5	0	tober, and took a number of
John Tunis, or Thompson, $\frac{1}{2}$ acre corn, 10 bushels potatoes, 2 bushels beans	3	6	3	2	0	0	days to raise a full head. By this time, all the corn was perfectly ripe and could have been removed if the owners had been disposed, as I gave them notice.
John Huff, 20 bushels oats, 10 bushels corn, 3 tons hay, 40 bearing apple trees and some cherry trees, 2000 rails (old log house and barn abandoned	115	7	6	20	15	0	The only corn necessarily damaged was near the dam, by raising it 2 feet before my survey,
Elizabeth Pooler, 30 bushels buckwheat, 1 ton hay, $\frac{1}{2}$ acre corn, 15 bushels potatoes, 350 rails, 2 bushels beans, 10 bushels oats, 1 small block house	11	17	6	5	10	0	Apple trees not all drowned may be transplanted, rails all on the premises may be removed at
Hannah Doxteder, 1 acre corn, 10 bushels potatoes	4	13	9	2	5	0	trifling expense.
Joseph Chew, 2 acres corn, $2\frac{1}{2}$ bushels beans	8	2	6	3	0	0	The average crop of an acre
John Moses, 1 acre corn, 20 bushels turnips, 20 bushels potatoes	6	17	6	2	10	0	of corn would not exceed 20 bushels, admitting it to be 30
Samuel Tory, 40 bushels buckwheat, 30 bush. potatoes, 49 bushels corn	12	3	9	5	0	0	bushels, the price of gathering, &c. would be $7\frac{1}{2}$d. valuing it
Betsy Docksteder, 1 acre corn, 10 bushels potatoes, and 2 bushels beans	5	1	3	2	5	0	therefore at 2s. 6d. it would leave 1s. $10\frac{1}{2}$d. per bushel,
Jacob Quaker, $\frac{1}{2}$ acre corn, 20 bushels potatoes	3	15	0	1	5	0	
Susan Richwoman, $\frac{1}{2}$ acre corn, 300 rails	2	16	3	2	10	0	
Widow Moses, 60 bushels corn, 5 bush. beans	8	15	0	3	0	0	
Tom Harris' Widow, $\frac{1}{2}$ acre corn	1	17	6	1	0	0	
John Curley, 3000 rails, 4 tons hay, 38 bushels rye, 40 bearing fruit trees and 1 block house.	129	12	6	15	0	0	The fruit trees have not yet

NAMES.	Amount claimed £	s.	d.	Amount allowed £	s.	d.	REMARKS.
John Burnham, 4 acres corn, 1½ acres buckwheat, 2 tons marsh hay, ½ acre potatoes...	25	1	10	5	0	0	been injured by the rise of water, houses will not be injured nor rails destroyed.
Jacob Hottenbarrick's second sister, ½ acre corn, 2 bushels potatoes, ½ acre oats.....	3	9	4½	1	10	0	
Delaware Peggy, ½ acre corn.....	1	17	6	1	5	0	
Polly Snake, 2 acres corn, ¼ acre potatoes, 1 barrel beans.....	8	13	9	2	5	0	
John Cornelius, ½ acre corn.....	3	15	0	1	15	0	
Captain Cornelius, 40 bushels potatoes.....	3	15	0	1	15	0	
Thomas Snake, 2 acres corn, 1 bushel beans..	7	15	0	2	10	0	
John Isaac's mother, ½ aere corn, 1 bush. beans	1	2	6	1	0	0	
Jacob Hottinbarrick's oldest sister, 1½ acres corn, 1 bushel beans.....	5	17	6	1	15	0	
Black Sally's youngest daughter, ½ acre corn.	1	17	6	1	0	0	
John Monture, 1 acre corn, 20 bushels potatoes, 1 bushel beans, 100 rails.....	6	3	9	2	15	0	
Old Hank, 1½ acres corn, 1 bushel beans.....	5	17	6	2	0	0	
Adam Pott, 2 acres corn, 1½ bushel beans....	7	17	6	3	0	0	
Young John Monture, ½ acre potatoes.....	2	16	3	1	5	0	
Old Hanks daughter, ½ acre corn, ½ bushel beans.....	2	0	0	1	2	6	
John Bull, 1½ acres corn, 5 bushels beans.....	6	17	6	2	18	0	
Adam Oneida, 15 bush. potatoes, 1 bush. beans	1	13	1½	0	12	6	
Abraham Young's Sister, 1½ acre corn,.....	1	17	6	1	0	0	
Young Hank, 1½ acre corn,.....	1	17	6	1	0	0	
Catharine Chapin, 1½ acres corn, 1 bush. beans.	2	2	6	1	5	0	
Capt. Charle's Sister, 1½ acre corn, 1 bushel beans.....	2	2	6	1	5	0	
John Wampum's Mother, 2 acres corn.....	7	10	0	2	2	6	
Young Hank's Wife, 1 acre corn.....	3	15	0	1	5	0	
Delaware Chief Petop, ½ acre corn, 1 bushel beans, 800 rails.....	4	12	6	2	15	0	
Widow Dick, 1½ acre corn, 1 bushel beans....	2	2	6	1	5	0	
Abraham Huff, 100,080 rails, 1 acre corn, 1 Block House.....	38	0	0	10	0	0	
William Cook, 2 acres corn, 3000 rails.....	8	8	9	3	0	0	
Henry Huff, 4 acres corn, ½ acre potatoes, 1½ acres Buckwheat.....	19	13	9	5	10	0	
Susan Cook, 2 acres corn,.....	7	10	0	2	10	0	
John Norton, 1 Frame Barn, 2 Block Houses, 28 apple trees, 8000 rails, 40 bushels peas..	175	0	0	50	0	0	Norton's barn is now standing
Oliver Burnham, 2000 rails.....	6	5	0	3	0	0	in the water will require mooring, values it as it stands at $200
Total.....	698	19	4½	189	5	6	is not underpinned, frame building 30 by 50 feet, values his
In addition to the above I have estimated for Abner Decow a hewn log house, 10 logs high, with an addition of 14 feet square and 2 natural springs, at.....	.....			20	0	0	house at $200, glass, sashes, boards and every thing of value is removed.
For Jabez Smith, 1 old log house 18 by 20 feet-	.....			2	10	0	Not occupied, water comes
John Crooks, log store house 20 by 30.....	.....			4	0	0	near it.
John McDonell, 19 small apple trees.....	.....			2	0	0	Shut up and has not been occupied for some time.
Total amount.....				217	15	6	

ABSTRACT.

	£	s.	d.
Damages of grain &c. estimated in september, 1829.....	89	12	6
Damages for all the lands.....	816	7	3
Damages per Statement No. 3.....	217	15	6
Total.....	1123	15	3

GEORGE KEEFER, JUNIOR, *Assistant Engineer.*

ST. CATHARINES, *20th January*, 1831.

(D.)

Kinnaird's Bay is in front of Lot No. 19, Township of Wainfleet.

SOUNDINGS.

Distance from shore 300 feet out, from 4 increases to 8 feet.		
300 to 450	depth	9 increases to 10 feet.
450 to 600	variations in depth	10½, 11½, 12, 14 18.
600 to 900		25 feet
900 to 1200		30 "

Soundings taken from opposite the mouth of marsh creek; centre of bay, a south course from beach.

Bay exposed to west and south west winds.

I also took soundings from the extreme point of a reef of rocks which project or extend out from Neff's Point.

At a distance of 300 feet from this reef, out in the Lake, the depth of water was 4 feet, thence 150 feet further out, 6 to 7½ feet, thence 150 feet further, 9 to 9½, 660 feet out, depth 10 to 11,900 feet out, depth gradually increases to 12, 13 and 14 feet.

For a quarter of a mile on the west side from the beach the bottom of the bay is rocky.

ROBERT RANDAL.

ESTIMATED Expense for completing the Welland Canal from Deep Cut to Kinnairds Bay, Lake Erie.

PARTICULARS.	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
From Deep Cut to the Aqueduct remains to be excavated 70,108 yards	c.15	10516 20	
2 acres of grubbing,	$50	100 00	
			10616 20
Thence to where this route leaves the present Canal, on section No 3, near Marshville			
280,233 yards excavation	c.15	42034 95	
5000 yards embankment	c.12	600 00	
Grubbing 8 $\frac{2}{10}$ acres	$40	410 00	
			43044 95
In the first 80 chains in the direction of Kinnaird's bay the Canal will pass through low and favorable cutting, and extends entirely through the marsh —timber, black ash & tamerick, average cutting 8½			
Yards 64440 yards	c.11	6758 40	
8 acres grubbing	$40	320 00	
16 acres chopping and clearing	c.12	192 00	
			7270 40
Mile 2.—Is on hard land, rising gradually, towards the lake, heavy timber oak, maple and ash, average cutting 12 feet			
117,28 yards, excavation	c.12	14073 60	
Grubbing 8 acres	$60	480 00	
Chopping and clearing 16 acres	$20	320 00	
			14873 60
Mile 3.—Passes over a ridge of land, the summit of which is upwards 18 feet cutting, the land descends then gradually towards the south, heavy timbered land, average depth, 16 feet			
162,620 yards excavation	c.13	21140 60	
Grubbing 8 acres	$60	480 00	
Chopping and clearing 16 at	$20	320 00	
			21940 60
Mile 4.—Here the Canal enters into a ravine which runs directly to the Lake, with a gentle descent towards the Lake, black ash and oak timber, average cutting 12 feet			

PARTICULARS.	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
117280 yards	c.12	14073 60	
8 acres grubbing	$60	480 00	
Chopping and clearing 16 at	$20	320 00	
The next distance of 53 chains, extends to the Lake and continues in the same ravine, same quality of soil and timber, average cutting 8. 70 feet			14873 60
Yards excavation 42135	c.12	5056 20	
Grubbing 5 acres	$60	300 00	
Chopping and clearing, 10 acres	$20	200 00	
2 road bridges $300	....	600 00	
Lock 8 feet lift	....	3000 00	
Harbor estimated at	....	15000 00	24156 20
Total			136775 55

GEORGE KEEFER,

Assistant Engineer.

St. Catharines,
3*d February*, 1831.

(E)

GRAYBIEL'S BAY.

REMARKS BY THE COMMISSIONER.

Graybiel's Bay is in front of Lots 9 and 10, in the Township of Wainfleet.

Soundings taken by me, from the beach opposite the line between lots 9 and 10; thence south half a mile to a line ranging between Morgan's Point and Graybiel's Point.

From shore,—Distance, feet,

60		depth	4 feet,
" to	90		6
90 to	150		8
150 to	240		10
240 to	300		12
300 to	420		14
420 to	900		19
900 to	1200		24
half a mile out			43

From Morgan's Point, 900 feet south, there is 10 feet water. From Greybiel's Point, south 50 degrees west, 180 feet, 18 feet water. In the same direction 1200 feet from the Point, 24 feet water, half a mile off shore, 43 feet water. Sugar Loaf Point, distance from shore 600 feet, 10 feet water.

The bottom of this Bay is clay, the shore banks are composed of hard soil. The Bay is accessible by vessels in any wind except from the north going in. The ingress and egress are easy, adjacent to the curve of the Bay the Canal is level, and the soil and timber good. The Engineer's Report is annexed.

ROBERT RANDAL.

ESTIMATED Expense for completing the Welland Canal from the Deep Cut to Graybiel's Bay on Lake Erie.

PARTICULARS.	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
From the Deep Cut to the Aqueduct, as given in detail in the estimate to Hover's Bay, 70108 cubic yards	c.15	10516 20	
2 acres grubbing	$50	100 00	
			10615 20
Thence to where this route leaves the line of Canal on section No 13, 148,122 yards	c.15	22218 30	
5000 yards embankment	c.12	600 00	
Grubbing 5 acres	$40	200 00	
			23018 30
In the next distance of 80 chains in the direction of Graybiel's Bay, the Canal will pass through the Cranberry marsh, lightly timbered with tamerac, presenting a very level surface, gently ascending towards the Lake, muck from two to three feet deep, average cutting, 10 feet			
89920 yards	c.12	10790 40	
Grubbing 8 acres	$30	240 00	
Chopping and clearing 16 acres	$12	192 00	
			11222 40
In the 2nd mile the quality of the soil is the same, marsh more open, with spruce and tamarac			
Average cutting, 10. 50 feet, 96480 yards excavation	c.12	11577 60	
Grubbing 8 acres	$30	240 00	
Chopping and clearing 16 acres	$12	192 00	
			12009 60
Mile 3 —Continues in the marsh, same description of soil and timber, average cutting 12 feet, 117,280 yards excavation	c.12	14073 60	
Grubbing 8 acres	$30	240 00	
Chopping and clearing 16 acres	$12	192 00	
			14505 60
Mile 4.—This distance extends through to the hard land, and reaches the summit; timber heavier, and less muck, the average cutting, 14 feet, 147,840 yards	c.12	17740 80	
Grubbing 8 acres	$40	320 00	
Chopping and clearing 16 acres	$14	224 00	
			18284 80
The next distance is 51 chains on the 5th mile,and extends through to the lake, clay soil, mixt with loam and sand, continues quite level for some distance, then falls off gradually towards the lake, heavy timber			
Average cutting, 15 feet, 114,703 yards excavation	c.13	14911 39	
Grubbing 5 acres	$70	350 00	
Chopping and clearing 10 acres	$20	200 00	
Road Bridge	....	300 00	
Lock 8 feet lift	....	3000 00	
Harbor estimated at	....	20000 00	38761 39
Total			118417 29

GEORGE KEEFER, JUNIOR.
Assistant Engineer

ST. CATHARINES,
2nd February, 1830.

(F.)

ESTIMATE of the Expense of completing the Canal from the Deep Cut to Hoover's Bay, on Lake Erie.

PARTICULARS.		Rate.	Amount Items.	TOTAL.
			$ cts.	$ cts.
This estimate commences at the Deep Cut, and shews in detail the number of cubic yards of excavation remaining on each particular section throughout.				
On section 35	1690 yards.			
On section 34	8560 yards.			
On section 33	2220 yards.			
On section 32	3418 yards.			
On section 31	5026 yards.			
On section 30	9000 yards.			
On section 29	11000 yards.			
On section 28	3647 yards.			
On section 27	12700 yards.			
On section 26	2293 yards.			
On section 25	2230 yards.			
On section 24	8324 yards.			
To Aqueduct	70108 yards.	c.15	10516 20	
2 acres grubbing		$50	100 00	
				10616 20
On section 23, south side Aqueduct	2500 yards.			
On seclion 22	23008 yards.			
On section 21	19491 yards.			
On section 20	12900 yards.			
On section 19	18742 yards.			
On section 18	18040 yards.			
On section 17	12478 yards.			
On section 16	11321 yards.			
On section 15	11442 yards.			
On section 14	11766 yards.			
On section 13	11868 yards.			
On section 12	12044 yards.			
On section 11	11826 yards.			
On section 10	11682 yards.			
On section 9	14471 yards.			
On section 8	13850 yards.			
On section 7	13553 yards.			
On section 6	13972 yards.			
On section 5	12861 yards.			
On section 4	11368 yards.			
On section 3	10550 yards.			
On section 2	2520 yards.			
On section 1	10920 yards.			
To Marshville, 8½ miles,	293673 yards.	c.15	44050 95	
5000 yards embankment		c .12	600 00	
Grubbing 8 20 acres		$50	410 00	
				45069 95
Section No. 1, above Marshville, average	8.50 feet.			
Remains to be excavated 168 chains	96,432 feet.			
Section 2 63 chains	42,966 feet.			
Section 3 81 chains	55,242 feet.			
Section 4 8 chains	5,240 feet.			
	199,880 feet.	c.15	29982 00	
12 acres grubbing		$30	360 00	
				30342 00

PARTICULARS	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
The next distance of 60 chains leaves the present line of feeder, and runs in the direction of Hoover's Bay,—will average 10.20 feet cutting. Muck in many places from 5 to 6 feet deep, timber tamarac and alder—69360 yards. In the next distance of 60 chains, the Canal will pass through a swale of black ash, alder and tamarac, cutting low and favorable.—The average depth, 8 feet..... 49260 yards.			
The next 36 chains extends to the Lake, average depth, 12.30 feet, through heavy timbered land..... 54756 yards.			
173376 yards.	c.12	20805 12	
Whole distance 156 chains.....			
Lock of 8 feet lift,.....	....	3000 00	
Harbor estimated.....	....	15000 00	
Road Bridge.....	....	300 00	
40 chains hard grubbing, 3,80 acres.....	$60	228 00	
120 light do. 11.50 acres.....	$30	345 00	
Chopping and clearing 75 acres.....	$12	900 00	40578 13
Total.....			126597 27

GEORGE KEEFER, Junior,
Assistant Engineer

St. Catharines,
Febuary 1st, 1831.

(G.)

ESTIMATE of the Expense of completing the Canal from the Deep Cut to Gravelly Bay.

PARTICULARS.	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
This estimate commences at the Deep Cut, from whence to the head of section No. 21, where the route to Gravelly Bay leaves, the expense is common to all the routes to Lake Erie—distance 6 miles 20 chains, a part of 1 mile of which is now Canal bottom, the remainder requires only from 2 to 3 feet excavation, the whole can be drained without delay or difficulty.....			
The estimate is calculated at 11 cents per yard, which is considered a fair price, the whole amount is.....	.....	.....	12000 00
On the route to Gravelly Bay, the first mile passes through an ash swale, gently descending to the north east—regular cutting from 7 to 8 feet.....			
Yards..... 77,440	c.12	9292 80	
Grubbing 8 acres.....	$70	560 00	
Chopping and clearing 8 acres.....	$15	120 00	
The 2d and 3d mile pass through the eastern part of the great Cranberry Marsh, a part of which is open marsh, and part small tamarac, spruce, &c. &c. muck from 3 to 5 feet deep.....			9972 80
Second mile.—Excavation..... 77,440 yards.	c.10	7744 00	
Grubbing 6 acres.....	$30	180 00	
Chopping 6 acres.....	$ 9	54 00	7978 00
Third mile.—Excavation..... 77,440 yards.	c.10	7744 00	
Grubbing 7 acres.....	$40	280 00	
Clearing 7 acres.....	$10	70 00	8094 00
The 4th and 5th mile run along an arm of the marsh extending quite to the Lake shore, 3 to 10 chains in width, running due south which is the general direction of this route, bounded on both sides by ridges of rocky land, elevated from 25 to 30 feet above the flat or marsh.....			

PARTICULARS.	Rate.	Amount Items.	TOTAL.
		$ cts.	$ cts.
Fourth mile.—Excavation.....77,440 yards.	c.11	8518 40	
Grubbing 8 acres	$60	480 00	
Clearing 8 acres	$15	120 00	
One draw-Bridge	....	300 00	
			9418 40
Fifth mile.—Excavation.....77,400	c.12	8928 00	
Grubbing 8 acres	$70	560 00	
Clearing 8 acres	$15	120 00	
Road Bridge	....	300 00	9908 00
Rock Excavation, 3,040 yards	c.75		2280 00
Sixth mile.—Extends to the Lake—timber—tamerick, black ash, and spruce, 60 chains			
Excavation.....77,440	c.11	8518 40	
Grubbing 8 acres	$60	480 00	
Chopping 8 acres	$15	120 00	
Lock 8 feet lift	....	3000 00	
Harbor	....	8000 00	20110 40
			78769 60
N. B. An addition of 4 cents per yard is allowed on the number of yards from the Deep Cut to where the Sugar Loaf route leaves on section 21—which is considered over valued	....	.....	4624 28
Total			83393 88

GEORGE KEEFER, Junior.
Assistant Engineer.

St. Catharines,
February 1st, 1831.

House of Assemby, York,
4th March, 1831.

Sir,

I enclose a memorial to His Excellency with reference to the subject matter of my letter of the 5th ult., and as my stay in town will be but for a few days, I trust that you will be able to forward to me His Excellency's answer to the request contained in that letter and this memorial.

I have the honor to remain,
Sir,
Your Obedient
Humble Servant,
ROBERT RANDAL.

To Z. Mudge, Esq.,
Sec'y to His Excellency
the Lt. Governor.

To His Excellency Sir John Colborne, K. C. B., Licutenant Governor of the Province of Upper Canada, Major General Commanding His Majesty's Forces therein, &c. &c. &c.

The Memorial of Robert Randal of Chippawa, in the District of Niagara, Esquire,

Humbly Sheweth,

That in the last session of last Parliament the House of Assembly passed a bill to grant a further loan to the Welland Canal Company, after your memorialist should have examined and reported to Your Excellency the Condition of the Deep Cut: the said Bill further imposed upon your Memorialist the important and laborious trust of fully examining into and reporting to Your Excellency upon the condition of the said Canal, and every matter and thing therewith connected, and of obtaining all such facts and information as might enable the Legislature to form a "correct opinion of its progress, condition and future usefulness." The Legislative Council were pleased to concur in opinion with the House of Assembly in regard to the fitness of your memorialist to undertake this extensive and important trust, and that Honorable body most readily concurred in the appointment and agreed to the provisions of the bill. Your Excellency on the 6th March last was also pleased to signify your entire approbation of the appointment of your memorialist, as Welland Canal Commissioner, and by giving the Royal assent to the Statute Chapter 11, passed last session, graciously assumed the duty of remunerating your memorialist for his services and for the disbursements he might have to make in discharge of the very important duties of the said Commission.

Fully relying upon the faith of the Legislature as pledged to your memorialist by a solemn act of Parliament, and being aware that by the 14th section, Your Excellency had cheerfully undertaken to afford your memorialist that fair and reasonable recompense for his services, which it was the desire of Parlia-

ment he should receive. Your memorialist entered last spring upon the discharge of the duties of the office of Canal Commissioner, and was urged to hasten his first report by a notification that Your Excellency would make no order for money in favor of the Company until your memorialist had reported agreeably to law. Your memorialist understood from Your Excellency that the first report made by your memorialist was very satisfactory, and that report as well as the report made during the present year, having been by Your Excellency communicated to the House of Assembly, have been printed by special order of the House and, as your memorialist has ascertained, has given much satisfaction.

That on the 5th February last, your memorialist addressed a letter to Mr. Mudge, requesting that officer to call the attention of your Excellency to the consideration of your memorialist's services as commissioner (then terminated) in order that Your Excellency might direct such remuneration to be made to your memorialist, as the labor and great responsibility which has devolved upon your memorialist, might, in the opinion of Your Excellency be just and right. That to this letter your memorialist has received no reply although a month has elapsed from its date. May it therefore please Your Excellency to cause a reasonable remuneration to be made to your memorialist for his services as canal commissioner, agreeably to the provisions of the 14th section of the canal act.

And your Memorialist as in duty bound will ever pray,

ROBERT RANDAL.

No. 6.

REPORT

OF

JOHN B. YATES, ESQUIRE,

To the President and Directors of the Welland Canal Company.

In compliance with the request of the Directors I visited England for the purpose of disposing of the remainder of the stock of the Welland Canal Company, or to borrow from His Majesty's Government or individuals the sum of £25,000, at an annual interest of five per cent, in order to enable the Directors to complete the Canal, and further to make an effort by means of the explanation I was enabled and authorised by the Board of Directors to give, to induce His Majesty's Government to fulfil their engagement in 1826, to pay one-ninth of the cost of the Canal, in consideration of which, Government stores should be permitted to pass through the Canal without payment of any toll or duty to the Company.

On my arrival in London I called immediately at the Colonial office in Downing-street, and presented the Despatch of the Governor, containing the application of the Company and the Representation of the Commons' House of Assembly of the Province, and was requested to call again the following week and make such additional representation as I was desirous or instructed to make in writing. I called accordingly, and left a communication to Sir George Murray, of which the paper marked A. is a copy.

I though from the manner in which the business was conducted, that there was no prospect of obtaining money from the Government, and therefore confined myself to the request that the one-ninth should be credited on the amount borrowed by the Company from the Government—I was then informed that I should be made acquainted with the decision of the Lords Commissioners of the Treasury whenever it should be communicated to the department.

It now became necessary in the accomplishment of my object to turn my attention to the disposition of the stock on hand or borrow the money. The attempt to borrow the money was first made, but I was met in this by an insuperable objection—the prior lien on the property of the Company by the Government for their debt of £50,000 sterling, and the deb to the province of £50,000 currency. It therefore was necessary to rely on the disposition of stock solely, not having any power to enter into a negotiation for a loan sufficient to remove the lien of the Government. With the aid of the letters of introduction I took with me from New York, a subscription of 470 shares of stock was procured from the individual members of the house of Fletcher Alexander & Co., London, with power to draw for the money immediately, but two several negotiations at different times for the whole balance of stock I verbally closed were broken off in consequence of the unfavorable opinion decidedly expressed by the partners in a highly respectable commercial house in the Canada trade who for some cause have taken a stand against the Canal Company.

After this when I perceived that no hope could be entertained of aid from any of the former sources, my attention was thrown into small individual efforts, and in this I was much assisted by a friend with whom I had become acquainted, and in whose name a pamphlet was issued, explaining the object, progress, prospect, and state of the Canal, as far as the materials then in my possession would enable such information to be given.

By this means and the aid of Captain Creighton some additional subscriptions were procured, an account of which has been given by the agents in London. Of this the amount now in the hands of the agents for which the Directors are authorised to draw or have drawn—858 shares at £11 5s., sterling, £9652 10s. The amount of the subscription of Major Taylor, named by the agents as unpaid, was subsequently paid to them before I left England, of which they advised me by letter, and the house of Thomas Wilson & Co., have subscribed 50 shares in addition to their former subscription, for which they have either paid the agents or will pay when the agents shall be drawn upon for it—this subscription has been accidentally omitted in the agent's account.

There are also 50 shares more for which the Rev. Mr. Blacou, has subscribed, which have no doubt been paid for, through Mr. Dawson of Liverpool, before this time—the 100 shares put down as subscribed by Captain Creighton, are to be paid for in New York, and will be attended to on his return

this fall—there is then an explanation to be given of the 100 shares of Mr. Ellice only.

When I saw Mr. Ellice he mentioned that he considered the delay of the Company in not immediately answering the terms of his former conditional arrangement with Mr. Merritt to have released him from all honorary and legal obligation to comply with them, and the person who was to have united in the engagement had utterly refused when they heard of the accident two years ago at the Deep Cut, considering the whole project, according to the representations then made, to have wholly failed; such was still the prevailing opinion, and nothing but an actual use of the canal would ensure confidence. I called upon him afterwards for his subscription for 100 shares—his answer was that he did not want the dividends payable in England, he would rather receive them in Canada, and asked me whether I wished it paid in England or Canada—My answer was that it was wholly immaterial, the money was wanted in Canada, and if paid there would save drawing for it. He then told me he would order it paid there immediately, which I supposed had been done, no condition or qualification having been suggested to me, for if it had been I would have rejected the subscription as dishonorable to the other subscribers who had taken their stock without condition—I have been thus particular with this account of the transaction because I have been informed that some improper and subsequent condition has been appended to the payment in consequence of which it has been procrastinated. If these 100 are then considered as subscribed there will be 1108 shares to be deducted from 1667, leaving 559 shares:—these were left with Daniel Bell and Son, Stockbroker, London: but it is not probable any more will be sold until information has reached them of the state of the canal.

After being there so long a time without hearing any direct information of the state and progress of the canal, and the unfavorable account that reached us through the Montreal papers, my situation became exceedingly embarrassing in the disposition of stock. A species of personal responsibility was obliged to be assumed in the representation that no object of this sort ought ever to require, and which never fails to impair confidence in, if it does not injure the character of the person making it.

I therefore determined on abandoning any further effort at that time, and urge the Department for an answer to the application for the remission of the debt to the extent of one ninth of the cost of the Canal preparatory to my return. For which purpose I wrote a Note to Mr. Hay and received his answer marked B,—afterwards the official communication was sent, a copy of which furnished from the books of the Colonial Office, marked C, accompanies this, containing the information that the Government would abandon the right to pass Government stores without payment of toll or duty to the Company. I communicated my design to some of the principal Stockholders to return, and propose to the Board to give me power to negotiate a Loan sufficient to pay off all our debts and complete all the objects of the Company, so that any one debt due from the Company should not have precedence over another.—The plan was approved by all to whom I named it decidedly, and they suggested that it should be attended to as soon as possible, as money was now plenty, and any offer of good security would insure good terms. There is another subject connected with the authority to negotiate a Loan. It has now become evident that in order to overcome all difficulty and render the Canal useful and the Stock profitable, three objects must be accomplished by the Company—a speedy settlement of the lands along the Canal, occupation of the Mill Seats, and active attention to Forwarding business—individual effort alone will effect the two first advantageously; but the business of forwarding, and preparation for it, which is of primary importance and in consequence of the power and privileges of the Company and opposition of capitalists elsewhere, must be started and attended to by them. It is therefore necessary that in the arrangements for any loan provision should be made for means to accomplish this object.

There are two forms in which this may be effected either by a reliance on the responsibility of the Company solely, or soliciting the Government of the Province to guarantee such engagements as the Company may make, for money, pledging the Canal and tolls to the province as their security. The probability is that the money can be procured without guarantee, but it will make a difference of perhaps one per cent annually in interest with us, and as the province is a partner with us, it is as important to them as to us that the money should be procured at the lowest rate of interest, if they are safe in lending their responsibility, which a lien upon the Canal will make them. Such responsibilities have been frequent for objects of public interest.

The province of Nova Scotia has guaranteed to the Stockholders of the Shubenacada Canal five per cent. per annum for ten years. The State of Pennsylvania has guaranteed to the Stockholders of the Union Canal Company, six per cent. per annum for twenty years. The State of New York has loaned the credit of the State to the Hudson and Delaware Canal for 800,000 dollars for 25 years, the Canal Company providing for and paying the interest on the loan. The State of Louisiana has loaned the credit of the State to a large Agricultural Association for 1,000,000 dollars, the Company providing for the payment of the interest annually. Indeed where individual capital has been hazarded in public improvements, it is not at all improbable that Government will aid in sustaining the improvement to the extent necessary, especially when there is a certainty of its proving beneficial.

I have since my arrival here been over the whole line of the Canal;—the work appears well done, and the dam at the Grand River is now an excellent work. It has cost more money than was originally contemplated, but it is now a permanent and substantial dam, and in my opinion the additional expenditure was necessary to render it safe.

There is a large amount of money still requisite to be expended to finish off the work and make the canal to Lake Erie. This ought to be undertaken as soon as means can be procured to accomplish it, but it should by no means be engaged in unless the funds are in hand. The Board as well as the original stockholders, have had embarrassments sufficient arising from contracts made on the strength of anticipating funds for the procuring of which no positive and certain provision had been made. If

no further loan is made, the funds which may now be realised had better be employed in preparation for an active use of the Canal as it now is, and dressing and smoothing the banks, than be expended in commencing a continuation or extension of the Canal, necessary indeed to derive full advantage from it, but which the funds are not adequate to accomplish.

I have ventured to offer an opinion on this subject, which is submitted to the Board with the utmost deference.

J. B. YATES.

No. 7.

LETTER OF JOHN B. YATES, Esq.,

TO THE

RIGHT HON'BLE SIR GEORGE MURRAY, AND ANSWER THERETO.

54, *Regent Street,*
May 31*st*, 1830.

SIR,

I have the honor to submit for your consideration a statement of some facts connected with the application of the Welland Canal Company and the address of the House of Assembly of Upper Canada for one ninth of the cost of the Canal.

With the importance of the Welland Canal in its probable prospective commercial effect upon the interests of the country, you are fully acquainted. To this however I will take the liberty more particularly to refer when examining the subject of the petition of the Company in relation to the duties on produce.

It may appear singular that an application should now be made on the part of the Company for this sum, when the alternative was offered to their agent William Hamilton Merritt, Esq., either to accept the sum of £27,000 for the one-ninth promised to be advanced by his Majesty's Government on a loan of £50,000 and that the Canal should be mortgaged for its repayment. But in explanation I beg leave to say, that an unpleasant duty was thus presented to Mr. Merritt from which he could not escape. The unexpected difficulties in the prosecution of the work, had increased the expense, far beyond the original estimate and the £27,000 would not have been sufficient to place the Canal in such a state as to be beyond the danger of entire failure. It will also be borne in mind that the project, from a cause altogether inexplicable had many and virulent opponents, every possible effert was made to disparage the value of the stock in the estimation of capitalists. There was no good reason to expect farther aid from individuals in the then state of the work. Mr. Merritt therefore felt himself bound to accept the other alternative of £50,000 loan. There is another consideration which may have occurred to him, and appears to afford reasonable ground for his decision. That as the sum required and about to be advanced was much more than was ever contemplated by the Government and the promise of even the one-ninth had been made on the condition that the work should be completed previous to the payment, it was not only perfectly proper but necessary for the security of the Government that all the property of the Company should be pledged for the whole debt; for without having received the loan, before the Company could have consistently asked for the payment of the promised one-ninth in advance they ought and probably would have been required to give security that the work should be completed within a reasonable time. It was therefore more easy and a less complex transaction, if even it was probable that the one-ninth would be allowed by Government, when the work should be finished, to place the whole in the shape of a Loan; more especially as the cost of the Canal, so as to determine the exact amount of the one-ninth was not yet known.

If this view of the subject be correct it follows that the evpectation might well have been entertained by Mr. Merritt, that the condition of the loan would be so far favorably modified, as to credit the originally contemplated grant, (one-ninth of the cost of the canal) on the debt of fifty thousand pounds when it should be completed:—I beg leave further to say, that the whole additional expense incurred, has been owing to the effort, on the part of the Directors, to make a thorough cut through the mountain ridge to the Welland River. And although that attempt has failed in consequence of the obstacles encountered at the deep cutting last fall, yet it has been highly beneficial by giving a deeper and wider canal through the ridge than would otherwise have been made. The Company have also been embarrassed and delayed, as well as put to much additional expense, by alterations in their plans required by the interference of officers of the Government, especially at the Grand River. Commodore Barrie, the naval Commander on the Lakes, required the Company to remove the dam across that river five miles higher up the stream than the point at which they had commenced constructing it; which obliged the Company to make some miles additional canal not before designed. I do not intend to convey any censure by this reference to Commodore Barrie's interference; it was done in the performance of duty, and although the Company could not acquiesce in the soundness of the reasons for it, yet they felt themselves bound to submit to the order.

The Company have now overcome all difficulties so far as to have the navigation opened; and they trust in consequence of the great additional expense to which they have been subjected and the importance of the communication as a commanding channel for commercial intercourse the one-ninth of the cost of the Canal, will be credited upon the amount of debt they owe to His Majesty's government. From the report of last winter made by the Directors it appears that the sum of £272,795, Canada currency, had been expended, and that the amount required fully to complete the canal would make the whole expenditure above £300,000, Canada currency. The one-ninth of this sum is about £30,000 sterling, while if credited would leave the Company indebted £20,000 sterling. The amount to the government is of no great moment, but to the persons interested in the stock of the Company it is of much importance, and the transportation of Government stores without examination or imposition of Toll on the part of a private company may in the course of time become an object of some consequence; I trust

I shall be permitted to say in closing my remarks on this part of the application in justice to the great attention and preserving efforts of the indefatigable Agent of the Company, Mr. Merritt, and the highly respectable gentlemen composing the Board of Directors by whom he has been uniformly sustained in his exertions, that a communication of such magnitude and importance to the country and perhaps it is not too much to say, the whole empire in a commercial view never has been accomplished at so small an expense and under such discouraging circumstances arising not from any faults in the management, but from causes entirely beyond the control of the Directors.

The greatest portion of the stock held by individuals is owned by very few persons, who have persisted in sustaining the work, notwithstanding the discouraging occurrences. Those stockholders saw in the despatch of Lord Bathurst, received in Canada in the winter of 1827, during the session of the Colonial Parliament, a very encouraging evidence, that the Government felt an interest in the successful progress of the work, and were induced to engage more largely in it in oonsequence of that conviction. The Directors have therefore in behalf of such Stockholders solicited that this promised loan may not be withheld.

The other branch of the application rests on a different foundation. An alteration in the rate of duties is a measure of policy, and I have great hesitation in making any suggestions on that subject. There are however considerations of a local nature which it may be useful to name.

The outlet which the Welland Canal will open to the productions of the United States, as well as the Province of Upper Canada, will be highly beneficial to the interests of both countries. That portion of the great New-York Canal lying between the junction with it of a canal now completed and in use from Oswego on Lake Ontario, and the western termination of the great canal at Buffalo on Lake Erie will be avoided by the Welland Canal, and the expense of a distance of 130 miles canal navigation saved in approach even to the New York market.

The advantage derived from the alteration in duties and making Port Dalhousie a free ware-housing port, for which the Company have petitioned, will enable American vessels to carry mixed cargoes of articles, that may be landed in part or whole and such as are intended for an American port and market continue to the destined Port. The canal will not only be aided by this measure, but additional employment will be given to the vessels on the Canada side.—Thus a cargo of wheat and tobacco may be taken by an American vessel from Ohio, and the wheat a permitted article, be left to be manufactured into flour at the mills on the Welland Canal or transhipped to Montreal by Canadian vessels, and the tobacco, an article on which the duty is so high as to amount to a prohibition will be taken to a Port on the American side of Lake Ontario.

It is an important fact to induce this measure, that the facility afforded by the Welland Canal will be so great, that such produce of the country on the upper lakes, as shall be landed at Buffalo may be taken thence in boats through the Welland Canal by way of the Niagara and Welland Rivers and reshipped at any place on the canal or Port Dalhousie to Oswego and thence to New York at less expense than through the Erie Canal. As the law now is, every American Vessel with such mixed cargo, a part destined for New York and a part for Montreal or Quebec will be compelled to land that part of her cargo intended for New York, at Buffalo to be sent by the Erie Canal.

If this provision should be adopted it would hold out an inducement to land the Montreal part of the cargo at Port Dalhousie, and proceed with the remainder to Oswego for New York, thus giving the Canal the advantage of the whole lading, giving the owner a choice of markets at the cheapest rates, affording additional employment for Canadian vessels, and in no way injuring the revenue. If, therefore, it shall be deemed expedient to recommend the enactment of a law relative to duties pursuant to the petition of the Company, it may also be considered proper to add a clause.—That from the peculiar local situation of the Welland Canal, it is expedient to admit the landing and the warehousing of any produce or property, or any part of a cargo, from on board any American vessel or boat from any American port on Lake Erie, or above it; and that it may be lawful for the property so landed and warehoused to be reshipped on board of any American or British vessel, and conveyed for the port for which it was originally intended in the same manner, as if it had not been landed,—such a provision is highly important to the Company, and would not impair any interest in Canada.

The peculiar and commanding situation of the Welland Canal is such that I cannot forbear one general remark as particularly applicable to the two commercial channels through the St. Lawrence and Hudson Rivers; every measure of restriction on either side of the boundary, bearing on the commercial intercourse through the respective Canals, must be injurious to the country adopting it, and will aid no one employment, but must injure it. Thus, if the State of New York should, in order to preserve the revenue from its Canal, impose an additional toll on the junction Canal terminating at Oswego, and thus attempt to force transportation through the whole of the Erie Canal, every cent of added toll would operate as a bounty in favour of the Canada trade; and not only would the toll on its whole Canal be lost to them by such a measure, on the production of the region of country bordering on the Upper Lakes, which can be sent to either market, but, what is of much greater consequence, its inhabitants would be deprived of the advantage arising from the employment it would require, and its commercial interests much injured. The same reasoning will apply in favour of a repeal of restrictions now existing in Canada.

I have the honor to be,

Sir,

Your obt. humble servant,

J. B. YATES.

To

The Right Hon. Sir GEO. MURRAY,

&c. &c. &c.

Answer to the above Letter, by the Right Hon. R. W. Hay.

DOWNING STREET, *July* 2, 1830.

SIR,

I have laid before Secretary Sir George Murray your letter of the 1st instant, requesting information as to the intention of His Majesty's Government with respect to the debt due by the Welland Canal Company; and I am directed to acquaint you that the subject has been brought under the consideration of the Lords Commissioners of the Treasury, and I will not fail to communicate the result to you as soon as their Lordships' decision is made known to this Department.

I am,

Sir,

Your most obt. servant,

R. W. HAY.

J. B. YATES, Esq.,

Cheltenham.

IN THE YEAR 1831.

It became evident that the tardy and circuitous route by the Niagara River would not realise the expectation of the stockholders, consequently various routes to Lake Erie were explored, as will be seen by reference to the Reports of Marshall Lewis and Messrs. Yates & Warren—[Nos. 1 and 2.] An application was made to the Legislature, and a further loan of £50,000 granted, for the purpose of making the route to Lake Erie—see Act passed 6th March, 1831—[appended hereto, marked No. 3.] Contracts were entered into and the work commenced this summer. The Minutes of this year [hereto appended, marked No. 4] and the Report of the Directors [appended, marked No. 5] gives a full detail of the proeeedings

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Documents referred to in the foregoing remarks.

Report of Marshall Lewis to the President of the Welland Canal Company ..... marked No. 1
Report of Messrs. Yates & Warren. marked No. 2
Act of Parliament, 1st Will. 4th, ch. 18..... marked No. 3
Minutes of 1831..... marked No. 4
Report of Directors 1831..... marked No. 5

This year the Government appointed two Directors, viz. :—

John Warren, and
Robert Randal, } Esquires.

And the private Stockholders the following, viz.:

The Hon. John H. Dunn,
The Hon. William Allan,
H. J. Boulton, Esq.
A Y. McDonell, Esq., and
Thomas Butler, Esq.

No. 1.

REPORT

OF

MARSHALL LEWIS, Esquire.

To the President of the Welland Canal Company.

SIR,

Having been requested by Wm. Hamilton Merritt, Esq., to write you my opinion respecting the best place for a harbour on Lake Erie, I beg to say, that I have recently had an opportunity of examining the mouth of the Grand River for that purpose; it is, no doubt, the most natural and best place for a harbour; and can have the channel secured across the bar with less expense than has formerly been anticipated, or estimated by others.

The project of the two harbours strikes me to be the best; it embraces the two great objects in view —the Grand River route for early navigation, by trans-shipping and boating—and Gravelly Bay for the schooner navigation, with the shortest towing that can be found between the lakes; and if harbors are of use to those sailing the lake, two will be better than one, and can be made at less expense than making the schooner navigation to the mouth of the river, which will cause the Canal to be useless for one season; but on the other plan, it can be done this summer and next winter, without interfering with or stopping the boating in the least.

Taking all things into consideration, I am led to believe that the plan of constructing both harbours is, by a great majority, the best that can be adopted.

Respectfully, yours, &c. &c.

MARSHALL LEWIS.

St. Catharines, May 23, 1831.

P. S.—The inexhaustible quarries of the best kind of grey lime stone (in that neighbourhood) for locks or any other buildings where cut stone is required should not pass unnoticed.

No. 2.

REPORT

J. B. YATES AND JOHN WARREN, Esqs.

The Board of Directors of the Welland Canal Company having requested us to examine Gravelly Bay, and report the result of our observations relative to its advantages as a harbour for one point of termination for the Canal on Lake Erie—we present to the Board the result of such observations as we have been enabled to make.

The Engineer's Report of the soundings and depth of water, with the relative situation and bearing of the reefs of sunken rocks, appeared to us to have been made on accurate examination.

In its present natural state, there is sufficient evidence of the cause of terror the mariners on the lake must have had for this bay, without any buoys

By the present law the appropriation of £25,000 is limited to finishing the Canal and making the cut into Lake Erie, consequently the Directors have it not in their power to pay the debts due for the land and other damages due, for the purposes of the Canal—the interest on the Government debt or for any other purposes necessary for the successful operations of the Company.

Resolved, Therefore, that William Berczy, Esq. be requested to proceed to Lower Canada without delay, for the purpose of making an application for such aid as the Legislature may be disposed to loan, and that the Agent be directed to make out a petition for the signature of the President.

Resolved, That a letter be written to Mr. Yates enclosing a copy of the law of this Province authorising the Government to issue debentures for the sum of £50,000, payable in 25 years, with interest at 5 per cent, payable half yearly in London, together with such other documents as may be necessary, to enable him to ascertain upon what terms the said debentures may be negotiated.

Resolved, That a Board of Directors be summoned to meet on the first Thursday in April, and that the members be notified accordingly.

Resolved, That an application be made to the Bank of Upper Canada to prolong the payment of the drafts on Messrs. Yates & McIntyre for six months.

The undermentioned rates of toll between Grand River and Port Dalhousie were ordered to be published—viv:

DOWNWARDS.

	s.	d.
Flour per barrel	0	4
Ashes	1	0
Pig Iron, Grindstones, Coal, Gypsum, &c., per ton	2	6
Castings per ton	3	9
Boards, averaging $\frac{4}{4}$ per M	2	6
Square timber, per M. cubic feet	15	0
Pipe Staves, per M	15	0
Saw Logs each	0	4
Firkins and small casks, packages, &c	0	$1\frac{1}{2}$
Pork and Whiskey, per barrel	0	6
Wheat per bushel	0	$1\frac{1}{4}$
Merchandise, per ton	5	0
West India Staves, per M. feet	5	0
Round Lumber		

UPWARDS.

Merchandize per ton	10	0
Stone, Pig Iron, &c. per ton	2	6
Castings, per ton	5	0
Salt, per barrel	0	$3\frac{1}{2}$

Other articles, in proportion.

Vessels under 40 tons, 5s.: 40 to 50 tons, 10s: upwards, 15s: under 50 tons, entering Port Dalhousie and not passing through 5s.: over 50 tons 7s. 6d.

Boats for passengers, 5s.—or $3\frac{1}{2}$d. per mile:
Boats for freight, 2s. 6d or $1\frac{3}{4}$d.
Every passenger on Feeder, $3\frac{1}{2}$d.

Every Boat, Scow, or Raft under 5 Locks, 1s. 3d.: under 10 Locks, 2s. 6d.: over 5s.

Resolved, That the plan for extending the Harbor at Port Dalhousie by removing the Lock be approved and notice of the same published to receive proposals on 1st day of June.

Third—*Resolved*, That a berm bank and Culvert is necessary to drain the land from Broad Creek to Grand River, and also at Hellen's Creek, and that proposals be received for the same the 1st day of June.

Fourth—Decision of the route.—It appearing from the last Act of the Legislature that the termination of the ship Canal to Lake Erie was left to the decision of the Directors—accordingly on the 29th and 30th of April, and 1st of May, the Directors traversed the entire line of the Canal to Dunnville, Grand River Dam, mouth of Grand River, Boulton's, Graybiel's, and Gravelly Bays, and on this day, the 2nd of May, after minutely examining the plans and estimates of the Engineers, and Marshall Lewis, who was employed to explore the different sites, found that to extend the navigation from the Deep Cut would cost as follows:

To Gravelly Bay, a distance of 12 miles	£27,329	8	9
To Graybiel's Bay, a distance of 13 miles	31,104	6	5
To Boulton's Bay, a distance of 18 miles	33,694	5	11
To Grand River, a distance of 30 miles	40,267	4	4

when from the saving expense as well as distance, the erection of an additional Harbor on Lake Erie, and the connexion of the Lakes by the least possible distance, the Board decided on the termination being at Gravelly Bay. But as the Grand River is likely to be open about two months earlier in the spring than this Bay it is deemed advisable to open a Harbor at that place also, particularly as it can be done at a less expense than continuing the ship Canal to that Point, which will enable the owners of property on Lake Erie not only to avail themselves of the earliest possible navigation by a transhipment while the ice remains between the two Harbors, but gives them the best and shortest route between the two Lakes for the remainder of the season.

The President, Messrs. Allan, M'Donell, Randal, and Merritt, were in favour of the above. Mr. Boulton was opposed to it. On which Mr. Boulton proposed the following:—

Resolved,—That it is expedient to make a pier at the mouth of the Grand River, in order to ascertain whether a permanent harbour may not be constructed at that point which is open every year upon an average three weeks earlier than at any of the lower points, and, therefore, the completion of the ship canal is postponed until the harbour at the mouth of the Grand River has been tried; which was negatived. Mr. Boulton being in favour of the motion, and Mr. Allan, who agreed to a postponement of the decision of the route, although he was decidedly of opinion the harbor at Grand River was not to be relied on, and thought it most for the public interest to secure the two harbors, and the shortest route—the other directors decided against the motion.

The President again put the former Resolution for the termination at Gravelly Bay, when Mr. Boulton alone dissented; but it was

Resolved, in order to give Mr. Boulton, or any other Director, more time to investigate the estimates, so as to form a more correct opinion on the subject, that the decision be deferred to Tuesday,

the 17th instant, at which time, if any Director dissents, he must give it in writing, otherwise it is to be and remain in force.

In consequence of which the acceptance of proposals was deferred to Thursday, the 19th instant, until which time they will be received.

Ordered, That John Warren, Esq., be furnished with the above Resolution.

No money having been advanced for some months for the purposes of the Canal, and the Bank of Upper Canada having refused to lend any money on the credit of the Company, the President was requested to endorse a note for the sum of £2000, at 90 days, which he did, and it was sent to the Bank for discount.

May 10*th*, 1831.

At a Meeting of the Board of Directors, held this day at the Steamboat Hotel, York.

PRESENT:

The Hon. John H. Dunn, *President.*

Alex. Y. M'Doneil, *Vice-President.*

Henry J. Boulton,
Robert Randal,
John Warren, and
Wm. H. Merritt, } *Esquires.*

A letter from His Excellency Sir John Colborne, inclosing the opinion of the Council, having been read,

Resolved, That the following letter be sent to the Lieutenant-Governor, viz.:—

"The Board of Directors of the Welland Canal Company have had under consideration the correspondence which your Excellency has submitted to them in relation to the security required by the Act to loan the credit of the Government to the Company for £50,000. The question submitted to them is one of great interest to the Company, and delicacy on the part of the Board.

"The loan is necessary to complete the Canal as a useful public work, and the evident object of the law was to obtain a reasonable security that the money is sufficient to complete the Canal, and that a sufficiency of income will be received from it to pay the interest and principal of one half the loan. The real estate of Mr. Merritt and Mr. M'Donell is in the Province, and is continually increasing. It is represented to be worth of itself at present a sum equal to the whole responsibility required, or nearly so. The other person, who has executed the bond, is not a resident in this Province, but has a deep interest in the Canal, and the amount of his stock is more than the amount of security required.

"This may not be considered by your Excellency as affording any additional security beside the bond of the Company, with the mortgage on the Canal. Mr. Yates is, however, represented to have a large real and personal estate in the State of New York; and the Board cannot but consider the bond sufficient for all purposes of security to accomplish the object of the law.

"The individual members of the Board have not that pecuniary interest in the Canal to induce them to incur any personal responsibility, but they trust your Excellency will deem the bond as now given sufficient.

"The Board have investigated the estimates for the different routes of the new cut. There are two under consideration, on which no final decision has yet been had. The mouth of the Grand River and Gravelly Bay. The most expensive of these routes will not exceed £40,000, as presented by the estimates. The £10,000 left is more than sufficient for any possible deficiency in the estimates, in the opinion of the Board.

"A full Board of Directors have assembled at this place, and they cannot take any further measure in relation to operations on the Canal without the decision of His Excellency. Will you have the goodness to communicate that decision as soon as your convenience will permit."

Resolved, That the Board adjourn till tomorrow at one o'clock, to receive the Governor's answer.

11th May, 1831.

At an adjourned meeting of the Board, held this day—

PRESENT.

The Hon. John Henry Dunn, *President.*

Alex. Y. McDonell, Esq., *Vice-President.*

The Hon William Allan,
Henry J. Boulton,
Robert Randal,
John Warren, and
W. H. Merritt, Esquires.

The answer of his Excellency having been received, acquainting the Board that the security would be accepted,

Resolved, That the President be authorised to execute a bond for the sum of £50,000 to the Government of this Province in pursuance of the act of the Legislature.

Resolved, That the Receiver General of the Province be requested to execute the debenture of the Province to the amount of £10,000 in sums of £250 each, pursuant to the Act.

Resolved, That a power of Attorney be prepared and executed by the President, authorising J. B. Yates, Esq., to negotiate a loan with any person or body corporate for the whole or any part of the loan of £50,000, authorised by the law of the last Session for this Company.

Whereas J. B. Yates, Esq. had authority from the Board on the 10th of March last to ascertain whether a loan could not be negotiated on the debenture of the Government, and on what sum a temporary loan could be effected, and Mr. Yates having negotiated a loan with the Bank of the United States to lend the Company such sum or sums of money as they may require from time to time for the purposes of the Company, at the rate of 5 per cent per annum on the bond of the Company, accompanied by an equal

amount of the above Government debentures to be transferred and held as collateral security.

Resolved, That the requisite bond or notes be duly executed from time to time as the money may be wanted under the direction of the Board, and the money to be placed credit to the Company, and drawn under the direction, and by the authority of the Board.

Resolved, That the Debentures when executed, be deposited in the Bank of the United States, at the disposal of the Board.

Resolved, That Messrs. M'Donell, Randal, and Warren, be a Committee of Finance to examine and direct the expenditure of money, and to authorise such sum as may be required to be drawn out of the Bank as well as all expenditures on the Canal.

Whereas public notice having been given that proposals would be received for the purchase of all the real estate and hydraulic privileges belonging to the Welland Canal Company, and no proposal having been received so advantageous as the one made by Mr. Yates, it is therefore

Resolved, That the proposition of Mr. Yates be accepted, and that a contract be executed pursuant to the terms thereof, the interest of which is to commence on the 1st day of January, 1832, with the principal payable in ten years.

Resolved, That JohnWarren & J. B. Yates, Esqrs. be requested to examine the coast on or about Gravelly Bay, and if any shoals, rocks, or other impediments in approaching the said harbor at that place should exist, that a Report be made to the President, and that the last Resolution of the 3rd May be rescinded, and the acceptance of proposals be deferred to the 1st June, on which day a meeting shall be held for the purpose of deciding thereon, but if no impediment should appear to exist, the said Resolution of the 3d May shall remain.

JUNE 1st, 1831.

At a meeting of the Stockholders, held at the Welland Canal office, pursuant to advertisement for the election of Directors for the year ensuing—

PRESENT :

The Hon. John Dunn,
The Hon. William Allan,
Alex. Y. McDonell,
George Keefer,
J. B. Yates,
Thomas Butler, and
W. H. Merritt, Esqrs., &c. &c.

The ballot being closed, the undermentioned gentlemen were duly elected, viz :—

The Hon. John Henry Dunn,
The Hon. William Allan,
H. J. Boulton,
Alex. Y. M'Donell, and
Thomas Butler, Esquires.

FROM WHOM

The Hon. John Henry Dunn was chosen President, and A. M'Donell Vice-President.

JUNE 2d, 1831.

At a meeting of the Directors held at the Welland Canal Office—

PRESENT :

The Hon. John Henry Dunn, *President.*
Alex. McDonell, *Vice President,*
The Hon. William Allan,
Thomas Butler,
Robert Randal, and
John Warren, Esquires.

The minutes were read and confirmed.

The termination of the Canal into Lake Erie was taken into consideration. At the last meeting of the Board held at York, the 11th May, Messrs. Warren & Yates were requested to examine the site for a harbor at Gravelly Bay, it having been reported much difficulty would exist in entering it; those gentlemen, after making due examination submitted their Report :—

1*st Resolved*, unanimously, That Gravelly Bay be adopted as the most advantageous route for the termination of the canal into Lake Erie.

2*nd, Resolved*, That contracts be made for building the harbor at Grand River and Gravelly Bay, and for excavating, &c., the different sections of the Canal;—the following being the best and cheapest, proposals were accepted as follows :—viz.

Pier at Grand River ....Lewis, Garrison, & Little.
Harbor at Gravelly bay,. do, do. do.
Sections 1, and 2..... Buchanan, Ewen & Armstrong.
3,.....W. M. Doty.
4,..... M. Sixsmith, J.Sixsmith. Bradley and Saunders.
5,.....Moore and Walker.
6,.....Craig and Boyle.
7, 8, 9, 17, & 18, Monson, H. N.
10, 11.....L. Newlove.
12, 14,.....G. Hexson.
13,.....F. Galbraith.
15, 16, 19,.....Lewis, Garrison & Little.

J. B. Yates having negotiated a temporary loan with the Bank of the United States for the sum of £50,000 and the directors having made arrangements to raise this sum at the rate of 5 per cent., provided debentures for the whole sum shall be deposited, which arrangement allows the Company their own time to sell them, as well as the opportunity of selecting the best market aided by the influence of the Bank, it is therefore

3*rd, Resolved*, That His Excellency the Lieutenant Governor be requested by the President to direct the proper officer to issue to the Company the whole amount of debentures, amounting to £50,000, in such amounts as the said Directors shall require, and that the same shall be deposited in the Bank of the United States.

4*th. Resolved*, That it is expedient the debentures be issued in sums of £250 each.

5*th, Resolved*, That the proper instrument or instruments be duly executed in behalf of this Board from time to time, pledging such amount of Government debentures as have been or shall be ordered by the Board to be pledged to the Bank of the United States—That the seal of the Company be fixed

thereon, and the same signed by the President or Vice President in behalf of the Board.

6*th*, *Resolved*, That the note of the Board for ten thousand dollars payable on the 16th of March next, to the order of the Cashier of the Branch Bank of the United States at Buffalo, with interest, at the rate of 5 per cent., per annum, be executed on account of the loan for which debentures have been pledged to the Bank, and that the same be signed by the President or Vice President, and countersigned by the Secretary.

7*th*, *Resolved*, That from the accumulation of business on the Canal it becomes necessary to apportion the various duties of the servants of the Company as follows:—

The Agent, William Hamilton Merritt, Esquire, who is now employed at a salary of £400 per annum to carry into effect the orders of the Board from time to time to have the general direction of all the officers and servants of the Company, and in case any accident should happen on the line, or any urgent necessity for making repairs be required during the recess of the Board, he be empowered to order it to be done, although no specific order of the Board may exist at the time—but that the same be submitted on the next meeting of the Board for their approval.

Amended 2nd Sept. 1835.

8*th*, *Resolved*, That Salmon Fuller be appointed Superintendent of the works on the entire line of the Canal at a salary of ten shillings currency per diem, and that he be responsible to the Agent for the safety of the same (who has power to remove him at pleasure) that he be fully authorised to employ such men as he may select under him, and have power to dismiss any one or more without reference to any other person, and that all reports respecting the works be made to him, who is to be alone responsible for them according to the following instructions:—

In the first place you will take the general direction of all the works on the canal, and be responsible for their being at all times kept in repair—the arrangement heretofore has been as follows,—Mr. Sanderson has charge of the harbor and lock including towing path to the furnace—his instructions is to keep every thing in repair,—to keep out all logs, drift wood, &c. &c. &c, from between the piers as well as the Canal,—to allow no vessel to remain between the piers during the night, or any staves, wood, or any other material, to encumber the passage of the harbor.

Mr. Turner has charge of the Locks from Furnace to the River Welland, waste weirs and all the erections appertaining to the Canal—the locks are let by contract—besides this, four men are kept for keeping them and the Canal in repair.

The most important point to which your attention will at first be called is the upper level, commencing as the Grand River. You will regulate the waste weirs so as to throw one inch of water over the aqueduct, and throw a sufficient supply over a waste weir you will erect at Allanville at least 120 feet wide to supply the hydraulic works below; you will leave Johnson in charge at Grand River, his jurisdiction to extend to Cranberry Creek—he will employ as many hands as you may conceive necessary, and no more.—Perry is now employed at Broad Creek to keep every thing in order from Cranberry to half way to Marshville—Windman at Marshville from Perry to curve near Hellin's waste weir—Buchanan from thence to Quaker road—Thomas Bell from thence to one half of Deep Cut, including the main canal to Chippawa—Campbell from thence to flume at Hall Davis', and thence to Thorold where the regular lock tenders commence.—Those men have agreed to be always on the work with a barrow;—their duty is to keep towing path and canal always in repair—to watch flumes, waste weirs, &c. &c., and to examine the whole of their charge as often as necessary; if you do not find they keep the canal clear of logs, and keep a man or themselves constantly at work, you will dismiss them and substitute other persons in their places. After you have regulated the upper level, or got the workmen at it, you will proceed with the next level above Mr. Keefer's—the embankments are all to be raised one foot higher than the main land, so that if the water escapes it can do no damage;—the waste weirs you will so regulate as to throw the surplus water into the canal, and over the two now built at Hall Davis' and Marlatt's—these examine, and make every one of them on the line secure.

You will make it your business to pass the line frequently—take your time, and examine every part of it—spending most of your time where the work is going on—contract for repairs where practicable, and leave the contracts to be executed by the Secretary—your duty will be the execution of the work only.

W. HAMILTON MERRITT,
Agent W. C. C.

St. Catharines,
June 1st, 1831.

9*th*. *Resolved*, That a forwarding Agent be appointed with the following instructions, and that he be alone responsible for that department, and that John Clark, Esq., be appointed to that office at 12s. 6d., per diem, during the navigation of the canal, and as long after as may be necessary to make up the accounts.

Instructions to John Clark, Esq., *as per order Board, June 2nd.*

Sir:—

You will take charge of the forwarding on the Welland Canal, and attend exclusively to that branch.

In the first place you will receive from Mr. Black the names of all our Agents on Lake Erie—yon will take a statement of the prices of transportation, and make yourself acquainted with the nature of our engagements with the different vessels.

Boats are engaged to run daily between Grand River and Port Dalhousie—they are allowed five days to perform the trip, and 1½ bushel of oats and 30 lbs. of hay for each span of horses. The Captains are allowed $— per month and $7 per month for boarding men, and are allowed to hire their own men.

You will open accounts with them and each boat—with each vessel—and draw for amount of each shipment, paying the toll to the Secretary—and the freight to defray the various expenses of boats, &c. &c. You will see horses provided, and attend to furnishing what may be necessary to keep them up,

as well as horses for towing vessels for the season, provender, &c. &c.

A monthly return to be made of the transactions to the Canal office—an active correspondence to be kept up both with the forwarders below and the merchants above, answering all letters and giving every information respecting the canal.

You will in the first place have an immediate settlement of all accounts for forwarding up to this time and commence anew under your own direction.

W. HAMILTON MERRITT,

Agent W. C. C.

10*th*, *Resolved*, That a Surveyor be employed to designate and establish the boundary of the Canal throughout, under the direction of Mr. McDonell, who will submit the plans of the same for the sanction of the Board as soon as completed.

11*th*. *Resolved*, That a deed of the above lands be made out to Alexander McDonell, Esq., at the request of J. B. Yates, Esq., he not being authorised to hold real estate in this Province, and that a bond and mortgage be made out and executed by Mr. McDonell for payment of the consideration and interest and that Mr. Yates execute the bond with him.

Whereas sundry debts remain due from the Company for the payment of lands and damages on the line of canal, as well as for the erection of storehouses and building of boats necessary for the operations of the Company, and the last act of the Legislature granting a loan of £50,000, having limited the expenditure of that money to the purpose of completing the canal and making the cut for ship navigation into Lake Erie only, it is desirable for the credit and interest of the Company that those claims be paid, and that the Company may have at their disposal a a sufficient sum of money to procure the building of as many vessels as may be necessary for carrying on their operations—Be it therefore

12*th*. *Resolved*, That J. B. Yates, Esq , be authorised and empowered to negotiate a loan not exceeding £25,000, payable in 10 years with a semi-annual interest of 6 per cent for the above purposes, and that the bond and mortgage for the lands and hydraulic privileges be given as a collateral security for the same.

13*th*. *Resolved*, That as it is important to establish a regular communication between the two lakes, the Steamer Peacock be employed to run for the remainder of the season at the sum of $2000 if it cannot be procured for less—to run in connexion with the Chief Justice and Albion packet boats, so as to connect Fort Erie as well as Dunville, daily, with Lake Ontario—and that it be the duty of the forwarding agent to see that she is regularly supplied with fuel, &c. &c. &c.

14*th*. *Resolved*, That James Cummings, Esq., be paid £150 for his damages at Chippawa Cut, on his giving a deed for the land as proffered by him to Mr. Merritt, in August last.

15*th*. *Resolved*, That the grant of lease to Messrs. Merritt and Donaldson, for a dry dock, be confirmed.

16*th*. *Resolved*, That the drafts unpaid on Messrs. Yates & McIntyre be paid.—The President agreed to make the necessary arrangement with the Bank for retiring them to the amount of £1750.

17*th*. *Resolved*, That in consequence of the hazard to which the books, papers, and property of the Company are exposed to in the present office, that plans and estimates be prepared for erecting a brick building for the better securing them, and for the general purposes of the Company, to be submitted to the Board as soon as possible

18*th*. *Resolved*, That Augustus Jones be paid for the stone taken from his premises as per estimate of Engineer.

Mr. George Smith submitted a charge to the Board of $2½ per day (and allowance for a clerk) for collecting toll at Port Dalhousie and attending to the forwarding business at that place.

19*th*. *Resolved*, That Mr. George Smith be allowed $2 per day during the navigation of the canal, and that no allowance be made for a clerk.

The Secretary was informed that the Canal was now so near its completion, the Board would not require his services for any length of time.

20th June, 1831.

At a meeting of the Directors, held at St. Catharines this day,

PRESENT:

Alexander McDonell, Esq., *Vice President*,
Thomas Butler, and
Robert Randal, Esquires.

The minutes of last meeting were read and confirmed.

1st. *Resolved*, That the President or Vice President draw for the amount of the tolls and freight accounts deposited in the Bank to be appropriated to the payment of scows, storehouses, and other purposes of the Canal.

2nd. *Resolved*, That the several sums due for building storehouses, boats, and the outfit for forwarding, be paid out of the funds now in hand, a separate account of which will be rendered to the next meeting of the Board, so as not to be chargeable to the sum now appropriated by the Legislature.

3rd. *Resolved*, That the agent be instructed to visit the different ports on Lake Erie to ascertain the quantity of wheat and other produce likely to pass through this season, and after ascertaining the time the Steamer Peacock will be got off to change the route to Grand River and the British side of Lake Erie—if he conceives it will be for the interest of the Company to do so.

At the last meeting of the Board it was determined to employ a surveyor to designate and establish the boundary of the Canal, and Mr. George Keefer having a better knowledge of the Canal than any other person—

4th. *Resolved*, That Mr. George Keefer be employed upon the above duty until it is finished, and submit the result to the Board.

5th. *Resolved*, That Mr. Barrett be employed on the new line of the Canal, at one pound per day, or £365 per annum.

6th. *Resolved*, That Mr. Emery be employed under Mr. Barrett at £100 per annum.

Resolved, That the following letter be sent to each of the owners of vessels on Lake Erie, and if an answer be not received in one month, to direct the Solicitor of the Company to prosecute.

GENTLEMEN,

We are informed by our collector, R. Randal, Esq., at Chippawa, that the schooner belonging to you refused paying toll after passing the cut from the Niagara to the Welland River, as well as to give a manifest of the copy.

We beg leave to submit for your consideration a copy of the 23rd clause of the Act of Incorporation of Welland Canal Company—we request you will forward to us a statement of the cargo of said vessel, and let us know whether you will be answerable for the amount of tolls, which is—Flour 1d—Pork 1½d—whiskey 1½d—ashes 2d—wheat per bushel 1½d—iron per ton 1d, merchandize—salt 1d—vessels under 50 tons 5s—above 10s.

If you do not comply with the above, we shall be under the disagreeable necessity of instituting an action against you for the amount, which we hope by a ready compliance with the law you will prevent.

By order of the Board

JAMES BLACK,
Secretary, W. C. C.

8th. *Resolved*, That the sum of £5000 more be advanced, and that the Engineer and Secretary re-examine the estimate bills (after the former has been through the line) that a correct balance may be made with a view of closing the accounts of the Canal to this period.

All future accounts must be presented to and examined by the Secretary referring to the former accounts of each individual—the prices to be affixed by the Superintendent of works, and closed each month.

The Vice President is requested to proceed to New York with the estimate and proceedings of this meeting for the approval of the President and Directors, as well as to obtain the President's signato papers, &c. ordered at last meeting.

Approved and signed the 20th June, 1831.

A. McDONELL, *Vice President*,
W. C. Co.

(Signed) JOHN H. DUNN.

7th July, 1831.

At a Meeting of the Directors, held this day at St. Catharines,

PRESENT:

The Hon. John H. Dunn, *President*.
The Hon. William Allan,
Robert Randal, and
Thomas Butler, Esquires.

The minutes of last meeting were read and confirmed.

The matter respecting resisting payment of toll at Chippawa was taken into consideration.

Resolved, That the case be laid before the Attorney General, and if he thinks it advisable the parties are to be immediately proceeded against.

8th July, 1831.

Resolved that the meeting of the Board in future Expunged 2nd September, 1835. be held at 3 o'clock on the first Thursday in every month.

Resolved, That on Mr. Clarke's presenting a statement of expenditure on account of forwarding, after examination by the Secretary, the President be authorised to draw for the amount.

The Schooners Prosperity and Canadian having been employed in transporting produce from Port Dalhousie to Prescott, and the freight belonging to those vessels having been blended with the tolls of the Welland Canal and included in certain drafts made to the Bank,

Resolved, That the President authorise the payment of the amount due to Mr. Merritt for the above from the Bank, on the Secretary forwarding the amount.

Resolved, That the minutes of all the meetings which have taken place be without loss of time fairly entered into the fair minute book and examined.

Resolved, That Mr. Black after that proceed immediately to York to get the assistance of Mr. Wenham to have the books fairly balanced, and to have a balance sheet for the Board—and that a statement of the funds be laid before the Board monthly.

In consequence of the notice given to the Secretary at the meeting of the Board the 2nd of June, that his services would be dispensed with in a short time, he requested the President would inform him more specifically when he was to quit.—No period could be fixed upon, but as soon as the accounts could be made up the arrangements now made would enable the Company to carry on their concerns without his aid, and therefore he might then leave.

THURSDAY, *August* 4, 1831.

At a meeting of the Board held this day,

PRESENT:

The Hon. John H. Dunn, *President*,
Alexander McDonell, Esq., *Vice President*,
J. Warren,
R. Randal, and
T. Butler, Esquires.

1st. The Agent reported that during the past month the Grand River Dam was found to leak through the loose stones and under the crib placed on the brush last season, so as to lower the feeder at least 18 inches in depth :—a force was immediately put on to remove the stones, break them up, fill up the cavities with gravel, and put on a sufficient quan-

tity of earth on the face of the dam to make it perfectly tight and prevent a recurrence.

The water commenced raising immediately after the main leak was stopped, from 1 to 1½ inches per day, and it now affords a satisfactory proof of an abundant supply in the dryest season.

The waste weir on the opposite side will be finished during the present month. The one at the Deep Cut, and four others on the line of the Canal repaired will regulate our supply of water. Driving piles at Bergers and Hellem's, and making two flumes at Cranberry Level and Broad Creek will finish the work for the season.

The locks require gravel near the timbers and the towing-path on the lower level, to be walled with timber and stone.

Resolved, That the above be approved, and the necessary repairs done accordingly.

2d. The following erections appear necessary for the security of the Canal this Fall, viz.:—

One guard lock at feeder near Grand River.

One guard lock before entering the ship canal at Hellems'.

One guard lock near bridge at Atkins', one foot below the level of ship canal.

One guard lock at each end of Deep Cut would add greatly to the security of the locks, particularly the one at North End.

Resolved, That the Engineer make out accurate bills of timber for the above, and advertise for proposals, to be given in on the 15th instant, for its delivery by the 1st November at the above places, to be hauled out and placed in the most convenient spot.

And also advertise for proposals for building the above locks, the parties finding their own materials.

Mr. Barrett presented a Report on the expediency of the above.

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

The following erections appear necessary for securing the Canal this Fall, viz.:—

A guard lock near Feeder Grand River, cost	$1600
A guard lock above Hellem's.....	1000
A guard lock near Road Bridge, Robinson..	1400
A flume between store house and guard lock at Atkins', one foot below ship canal.....	420
A guard gate at the end of Deep Cut would add greatly to the security of the locks at North End.....	400
	$4820

(Signed) ALFRED BARRETT,
Engineer W. C. Co.

St. Catharines, Aug. 4, 1831.

3d. The object in view when the storehouses and boats were built was to assure the public the Canal could be navigated without risk or detention. The present season has fully tested the fact; it is, therefore, the interest of the Company to discontinue forwarding on their own account, and to prohibit any of their officers or servants to be interested, directly or indirectly, with any Transportation Company, or in any Commission business, but to throw open the same fully and fairly to public competition.

It is, therefore, proposed for the consideration of the Board (during the present month) that they give notice on the 1st September, that on the 1st Thursday in November proposals will be received for the rent of the storehouses at Grand River, Port Robinson, and Port Dalhousie, for not less than three, or more than ten years, and for the purchase of four boats, horses, harnesses, &c., and that the Company discontinue forwarding from the 15th November ensuing.

Notice should likewise be given that the navigation on the Canal will cease on the 15th November for the season, and that proposals will be received on the 1st November for excavating or deepening the Canal from the Deep Cut to Hellem's.

4th. From various causes—rain, difficulty of clearing, and want of hands—very little progress has been made on the new cut. The labour has been applied where not required, in the deepest digging at the end. There is at present 116 to 130 men on the line.

The following was submitted by Mr. Barrett, which was agreed to:—

To the President and Directors of the Welland Canal Company.

GENTLEMEN,

The contractors for the undermentioned sections having failed to apply a sufficient force to finish their jobs according to their contracts; therefore, in order to secure the completion of the said work by the 1st of April, 1832, it is necessary that the Board of Directors should re-let as follows:

2 chains of Section 3—W. M. Doty, Contractor.
15 chains of Section 4—Sixsmith & Co, Contractors.
10 chains of Section 5—Cragne & Boyle, Contractors.
The whole of 7, 8, and 9—H. N. Monson, Contractor.
The whole of 12—G. Hixson, Contractor.
The whole of 15 and 16—Lewis, Garrison & Co., Contractors.
The whole of 17 and 18—H. N. Monson, Contractor.

ALFRED BARRETT,
Engineer W. C. Co.

St. Catharines, August 4.

The number of hands required to finish this work by the 1st of May, 1832, will be 500—370 of which must be provided during the present month and brought on the work.

The re-letting to responsible contractors, with a positive assurance of completing the work by the 1st of April, will be attended with an additional ex-

pense of from $8,000 to $10,000; but if it can be accomplished, it is proposed to club the expense with each contractor in proportion to the amount of his work, and send to York, Prescott, Montreal, and Quebec, a responsible person to procure labourers, and send them up at once.

To re-let Section 7 to 14, with the understanding they are paid for ditching per yard—or so much per yard, and the Company to do the ditching.

At least one good log shanty (double) to be erected on each section, and the clearing to be done within two weeks of the letting.

Resolved, That the remaining Contractors be notified by the Secretary that if they do not put on sufficient force in the opinion of the Agent and Engineer within two weeks, to finish the work according to their Contracts, that it will be re-let

The price at which the sections are to be re-let shall not exceed 14 cents per yard—the proposals to be received by the Vice President and two Directors.

No. 5. It appears the acccounts of tolls have been very imperfectly returned, and a system of credit pursued which prevents the Collectors making their returns with accuracy—there appears by as near a calculation as the Secretary can produce that more than £1000 has been collected up to 31 July.

Resolved, That the Collectors at Chippawa, Dalhousie, Robinson, and Dunnville, have immediate notice that no further credit be allowed except on property subject to charges at the different Forwarding Houses on Lake Ontario and Merchants upwards, and that the balance now due be immediately collected—and no property to pass until the whole amount of toll due from the owner be paid.

Amended 2nd Sept. 1835.

No. 6. *Resolved*, That the Collectors at Grand River and Port Robinson keep the accounts and pay out all monies returned to the men for labor and repairs on that part of the work—those from Deep Cut downwards will be returned and paid at this Office—the Superintendant only certifying to the amount of labor performed, and the Secretary to notify them accordingly.

No. 7. The Engineer recommends that two hands be employed on every six Locks, under one Superintendant to keep up and regulate Locks in preference to putting them out by Contract as at present.

Ordered, That Jacob Turner be employed at one dollar per day and board, and the men at $20 and $22 per month, including board.

Resolved, That the President be requested to apply to the Lieutenant Governor for debentures for the further sum of £10,000 on account of the £50,000 Loan.

Resolved, That the balance on Chippawa Bridge £87 5s. 5d., be paid.

Resolved, That a draft be signed for the sum o' £433 8s. 2d., for that amount advanced by the Secretary on account of the estimates in November 1830- the same to be paid by him to the Bank at Niagara, on account of notes received on account of Phelp's sale &c.

Resolved, That the balance now in the Bank United States, Buffalo, amounting to £1406 15s. 2d., or $5627 03, be drawn on account of estimates, &c.

The following letter was delivered by the Secretary and read.

"St. Catharines, *Aug.* 5, 1831.

"*To the President and Directors of the Welland Canal Company.*

"Gentlemen,

"As no answer has been made to my application to the President at the last meeting of the Board, as recorded in the minutes, and read and confirmed yesterday, I beg leave to tender my resignation of the office of Secretary to the Company —at the same time to prevent the inconvenience which might arise from my leaving before another person was prepared to occupy the situation I am willing to continue so long as may be required to examine and balance the accounts &c., but not to engage on any new concern.

"JAMES BLACK,
Secretary, W. C. Co."

Resolved, That Mr. Black's resignation be accepted, but that he be requested to continue until another person be appointed and sufficiently acquainted with the accounts, &c.

Resolved, That two Lock keeper's houses be erected, one at the Furnace, and one at or near the Bridge at St. Catharines, one story 14 feet posts, consisting of two rooms and one chimney.

Resolved, That Mr. Martell be employed as Collector at Port Robinson during the navigation of the Canal, at $1 per diem.

Resolved, That the Company have no connexion with the Schooner Canadian—Mr. Merritt is therefore to settle her accounts.

Mr. Black, the present Secretary, having resigned his situation,

Resolved, That public notice be given that proposals will be received for a competent person to fill it until the 1st of September. He must be a good Book Keeper, and active man, his salary will be £150 per annum; in the mean time that Mr. Walker be employed during the present week to attend to the accounts and duties of the office.

It was afterwards *Resolved*, That the advertisement for a Secretary to succeed Mr. Black be postponed until next meeting of the Board.

October 6th, 1831.

At a meeting of the Board of Directors, held this day at St. Catharines,

PRESENT:

The Hon. John H. Dunn, *President.*
Alexander McDonell, *Vice President.*

The Hon. William Allan,
Henry J. Boulton,
John Warren,
Robert Randall, and
T. Butler, Esquires.

The minutes of last meeting were read, and confirmed.

James Simpson's letter, 23rd July, respecting £125 due from Simpson and Pratt, and awarded to Monson, was read.

Ordered, That they be written to with a receipt for their signature, after which it is to be reconsidered.

Decow's letter, 4th August, read.

As his claim is before the Arbitrators, the Board cannot entertain it.

Colin McNelledge and Mr. Clark's letters, respecting allowance to vessels detained on the Canal were read.

Ordered, That the tolls be remitted on such vessels as were detained in consequence of the breach at the Aqueduct, or such portion as may be reasonable.

Mr. Otley's application for the situation of Secretary was read, as was also Mr. David Macnab's.

Ordrred, That Mr. Macnab be written to, stating the duties of the office of Accountant, together with the salary of £150 per annum, and requesting him to attend at this office till the next meeting of the Board, when if approved of, he will be appointed.

The Vice President afterwards produced an application from Messrs. J. W. Keating, D. McDonell, and N. H. Baird, together with a letter from Colonel By, on behalf of Mr. McDonell to fill the said office —but as the Board had previously agreed unanimously to the preceding resolution, they could not rescind it.

Before there was an opportunity to copy this, the Recr. Genl. required them and they were sent accordingly to him.

Mr. Yates' bond and Mortgage were submitted.

Ordered, to be entered on the minutes and deposited in a secure place.

Orson Phelps applied for £5 for going at various times to St. Catharines.

Ordered, That he be required to send a bill of his actual expenses, and that it be paid.

Sensabaugh's claim for securing timber in 1825— £5 5, submitted, and rejected.

Plan and estimate of Office submitted.

Ordered to be deferred.

The Surveyor General's letter respecting Lots 27 and 28 Humberstone, read—*Ordered,* That a letter be written to Mr. McMahon on the subject.

The Attorney General's opinion respecting tolls at Chippawa considered—*Ordered,* That application be made to next meeting of Parliament on the subject.

October 7, 1831.

At an adjourned meeting of the Board, held at St. Catharines,

PRESENT:

The Hon. John Henry Dunn, *President.*
Henry J. Boulton,
John Warren,
Robert Randall, and
Thomas Butler, Esquires

Mr. Wood's application to repair the buildings belonging to the Company, which will cost $150, and to rent them for four years in lieu thereof, and if the Company should require them before that period, to pay him for said repairs—*Agreed to.*

Mr. Barrett submitted a plan of Guard gates instead of Locks, which were ordered to be constructed.

As this plan is supposed to answer the purpose, and at a considerably less expense—*Ordered,* That it be adopted.

W. C. Johnson applied for payment of work on tow path Grand River (not estimated) amounting to 2000 yards. The Engineers have recommended that 1000 yards be paid for on certain conditions.

Resolved, That the Agent examine the above and report the same to the Board accordingly.

A letter was read from Mr. Bush of Ogdensburgh, requesting the Canal may continue open during the month of November.

This was afterwards altered to 15 November, per order of President,

Resolved, That it be kept open till 1st December.

W. C. Johnson's agreement to excavate &c., part of sections 3 and 4 of Gravelly Bay route, was submitted and—*Agreed to.*

The 3rd resolution of May 2nd last, was considered, so far as regarded the berm bank and culverts from Broad Creek to Grand River, when it was

Resolved, That the same be put into immediate effect and proposals be received on 15th November for the work—Engineers to estimate and prepare plans against next meeting of the Board.

Mr. Yates' account of Packet Boats, amounting to £180 6 9, was submitted and passed.

H. N. Monson's letter respecting J. Simpson (read at last Board) forbidding any money to be paid to said Simpson & Pratt on his account without consent was read.

Resolved, That it be not paid to any person at present.

A letter was read from Mr. R. Dickson respecting a claim of R. Campbell's upon the Company, and for which he has instructed Mr. D. to proceed against the Company.

Resolved, That the Secretary write to Mr. Dickson, stating that Mr. C. has no claim whatever.

Lewis Garrison & Little applied for payment of the ¼ reserved under their Contract.

Resolved, That the petition cannot be complied with—the Contract must be adhered to.

Resolved, That Wm. Hamilton Merritt, Esq., the present Agent of the Company, be appointed to the office of Secretary in the place of Mr. Black, resigned, at an annual salary of £400 per annum, to take place on Mr. Black quitting.

Resolvcd, That the office of Agent to the Welland Canal Company be abolished, and that in future the Secretary shall discharge the duties heretofore performed by the Agent, and that a competent person be appointed as accountant to the Company, who shall keep the books and accounts, and make such other entries in the minutes of the Secretary's office as may be required.

Moved by Mr. Boulton, seconded by Mr. Warren,

That after the next election of Directors a President shall be chosen who shall be resident near the line of Canal, and that he shall be entitled to a salary of £500 per annum, and that he shall assume, under a responsibility to the Board of Directors, the general management of the affairs of the Company.

Deferred to next Board.

The undermentioned resolutions were then carried.

1st. That notice be published to receive proposals for excavating the Ship Canal from Deep Cut to Hellem's, on the Gravelly Bay route, and for making a guard gate at the entrance of deep cut, on the 15th November.

2nd. That so much of the 3rd Resolution of the 4th August as regards the Company's discontinuing forwarding after this season, and for the sale of boats, &c., and letting of the storehouses, be carried into effect.

3rd. That the toll-keepers' accounts, and all persons concerned in the Welland Canal shall at the end of each week, (say Saturday) make a full statement and return of all tolls, vessels, &c., and all matters relating to their respective duties, and the accountant lay the same before the first meeting of the Board in one general sheet.

4th That Mr. K. Emery be allowed £2 5s. in addition to his present wages as assistant engineer for the last two months.

6th. That American vessels forming a line from Oswego to Cleveland be permitted to pass the Canal by paying a duty of 5s. per ton and 3 cents per barrel on salt, and the vessels forming a line from Amherstburg to Prescott or Kingston only a toll of 5s. per ton on merchandise upwards. Expunged 2nd September, 1835.

7th. That Mr. Joseph Wenham be paid £50 for services to May 1827.

FRIDAY, *4th Nov.*, 1831.

At a meeting of the Board of Directors, held at St. Catharines,

PRESENT:

The Hon. John H. Dunn, *President*,
Alexander McDonell, *Vice President*,
The Hon. William Allan, and
Robert Randal, Esquire.

The minutes of last meeting were read and confirmed, with the exception of that respecting the appointment of a resident President, which is to stand over until there is a full meeting of the Board called for the consideration of that particular purpose.

In conformity with the resolution of the last Board Mr. Barrett produced an estimate of the expense of Berm Bank and Culverts from Broad Creek to Grand River, amounting to £1,234 2 2.

The Board of Directors feel sensible of the importance of having the above attended to, but having no means at their disposal which would authorise the immediate commencement of that work, the £50,000 loaned by the last Legislature being restricted, it is therefore

Resolved, That the Berm Bank alluded to be made as soon as means can be devised to defray the expense of the same, together with one in Humberstone.

Mr. S. Street's letter respecting stone taken for the purpose of the Company.

Resolved, That Mr. Street be informed that the Company will allow him the same as Mr. Augustus Jones, viz: 4d per cord.

Resolved, That the undermentioned memorials be presented, viz:—

1st. To the Legislative Council and House of Assembly, U. C., for the privilege of making rail roads, and to increase the capital of the Company for that purpose.

2nd. To the same, to amend the former act as far as regards the toll at Chippawa.

3rd. To the Legislative Council and House of Assembly, L. C., to allow them such aid as they may deem expedient to complete the works which their present means do not allow them to use.

Mr. Barrett presented a report on the Gravelly Bay route, to contract if not less than 20 feet.

Resolved, That the same be adopted.

William Galbraith and John Lax proposed to execute the work required from Deep Cut to Gravelly Bay route.

Resolved, That the same be received on the 15th inst., and be determined by the Vice President and Mr. Randal, together with all other proposals.

Mr. McKay's application for office of Secretary, was read.

To be considered with other applicants.

Mr. Robert Dickson applied for a copy of R. Campbell's petition respecting his claim.

Resolved, That Mr. Dickson be allowed to inspect the same at the office, but not to have a copy of it.

Mr. Martell having been allowed 5s. per day while Collector at Robinson, applied for an increase from the 9th ultimo of 2s. 6d. per day.

Resolved, The same be complied with.

Mr. Simpson and Mr. Monson's letter presented.

Resolved, That the resolution of the former Board be adhered to, both parties having required the amount to be withheld.

Mr. D. Thompson presented a notice of submitting his claim to the arbitrators.

Resolved, That the Board having once appointed a Committee to determine on the claims of Mr. Thompson, do net deem it expedient to again enter into the subject.

York and Conrod's claim submitted.

Resolved, That the same be referred to the Committee; on reference it was found to have been investigated and not allowed.

Mr. Clark's letter and statement of forwarding accounts were presented.

Resolved, That the Vice-President and Mr. Randal be requested to examine into the correctness of the same,

The balance in Bank of United States being inefficient to meet the present demands,

Resolved, That the President make application to His Excellency for issuing debentures to the amount of £30,000.

At the request of Mr. Yates, John Clark, Esq., was nominated for the office of Book-Keeper to the Company, on Mr. Black's retiring from his present situation of Secretary—whereupon it was

Resolved, That John Clark be appointed Book-Keeper, with a salary of £150 per annum, upon his giving security in the sum of £1000.

Resolved, That Mr. Geo. Keefer, Jun., be authorized to negociate and settle with the claimants at Grand River for damages sustained by them, and that Mr. Keefer act by advice of, and after consultation with, the Vice-President and Agent.

The Toll Account was laid before the Board, amounting to £2051 1s. 2d. to October 1, 1831, viz.:—1830, £174 10s. 6½d.—and 1831, £1876 10s. 7½d.

TUESDAY, *December* 23, 1831.

At a meeting of the Board of Directors, held this day at York.

PRESENT:

Alexander M'Donell, Esq., *Vice-President.*
The Hon. William Allan.
John Warren, Robert Randal, and H. J. Boulton, } *Esquires.*

The minutes were read and confirmed.

The estimate, amounting to £2543 15s. 11½d., approved.

Whereas there are many contractors on the new route to Gravelly Bay who have taken the contracts at prices which will not enable them to complete the same, and as the contractors themselves are not men of responsibility, by reference to the Engineer upon the subject, he states, that by increase of price to a rate that will enable them to fulfil their contract, the original estimate given in by Mr. Barrett, as the amount of the new cut, will not be exceeded, many contractors having contracts at a less price than the estimated cost, and who, from the nature of the work, will be able to complete the same.

Mr. Randal's account for £100, as Collector at Chippawa, was deferred till Mr. M'Micking's account of tolls, £19 17s. 3½d., which was to have been deducted, be further explained by Mr. Merritt.

The Resolution respecting the Berm Bank from Grand River to Broad Creek, passed the 4th November last, not meeting the approbation of the present Board,

Resolved, That the same be rescinded, and that the original Resolution, passed on the 6th of October, be carried into effect.

Mr. Jacob Keefer's account and letter to be reconsidered, it being stated that he was appointed Collector at Thorold to accommodate his father.

Mr. Merritt's letter respecting $1000 to be advanced to Messrs. Smith & Macey on account of steamboat Peacock to be deferred for further information, or until the whole account is made up.

J. Coulter's bill, £7 13s. 2½d., on same account, ditto.

Mr. M'Micking's bill, £14 10s., ordered to be reconsidered.

Messrs. Grant & Duff's bill, £1, deferred.

E. Washam's letter and account, £30 5s. 6d., do.

J. C. Spence's account, 12s. 10d., to be paid from first receipt of toll.

Henry Bliss' letter respecting £50 interest due, to be ditto.

W. K. Emery's application to be reconsidered.

Garrison & Co.'s, Hixson & Galbraith's, and Perry's } letters to be reconsidered.

Mr. Clark's letter and enclosure considered respecting the appointment of Collector at Port Colborne.

Ordered, That a letter be written to Mr. M'Mahon on the subject, informing His Excellency that the Directors have not, nor do they wish to interfere in the subject.

Mr. Merritt's letter respecting purchasing part of the hydraulic privileges read.

The Board leave the matter entirely to Mr. Merritt, who is at liberty to act as he thinks proper.

No. 5.

REPORT

OF THE

BOARD OF DIRECTORS

OF THE

WELLAND CANAL COMPANY,

For the Year 1831.

The Directors are desirous to lay before the Stockholders, as early as possible, a statement of their proceedings for the past season.

The first object which occupied their attention was the termination of the Canal in Lake Erie. As this important subject was left by the Legislature to their decision, and being one on which a diversity of opinion existed, they gave it every possible attention.

Various surveys were made from the present line of Canal to the mouth of Grand River, Boulton's Bay, Graybiel's Bay, Kinnaird's Bay, and Gravelly Bay. After which, [viz.: in the latter part of April,] the Directors examined the different Bays on Lake Erie in person. They likewise obtained the following opinions, in writing, from Mr. Barrett, their principal Engineer, (see Appendix A.,) and Mr. Lewis, who was appointed to make the surveys of the different harbours. In addition to which, in consequence of various reports circulated respecting Gravelly Bay, John Warren, Esq., one of the Directors, and John B. Yates, Esq., one of the principal stockholders, were selected on the part of the

Board, in May, to again examine it. At the ensuing meeting, after mature deliberation on the various topics connected with it, the Board (in the absence of Mr. Boulton, who was, and continues to be, decidedly opposed to this route,) unanimously resolved on adopting the route to Gravelly Bay—now Port Colborne. These surveys necessarily occupied a long time. The work was not put under contract until late in June, which, together with the wetness of the season, has materially retarded its progress, and in consequence thereof, it will not be completed until the middle of next season. Notwithstanding the decision of the Board, to terminate the Canal for ship or schooner navigation at Gravelly Bay, on Lake Erie, (which, in their opinion, was required for the general benefit of the community, as well as the interest of the Company); yet, as it was evident that advantage might be derived from having a harbour at the mouth of the Grand River, also, both from the acknowledged importance of its more western position, and to increase the number of channels and ease of access to the Canal; and as it appeared from the Reports that such harbour could be easily made, the Board authorized the expenditure of £3000 for this purpose—which, from the progress of the work, and expenditure already made, the Directors have good reason to believe will not exceed the original estimate. The extent of the Western Pier is 600 feet, and it appears quite sufficient for the purpose intended, as the channel is of suitable depth for the navigation of the Upper Lakes. Lake Erie was clear of ice above this port on the 10th of April; the Company had a dredge to keep open the bar, and a party of men to pilot in any vessel that might arrive; the Canal was likewise clear of ice and in good order at this period—while the lower part of the lake remained closed until the 8th of May. Notwithstanding this early preparation to do business, when the Canal could have been advantageously used for the double voyage by the Niagara River, owners of property were deterred from giving it this direction to market. A rumour, encouraged and circulated, if not invented, by some persons inimical to this useful work, that a slide of earth, or, as it was emphatically called, "an avalanche," had occurred in the early part of the season, at the deep cutting, and filled up the Welland Canal, had obtained general currency. It was believed more readily, perhaps, because a similar occurrence had taken place, when the Canal was nearly completed on the original plan. There was not sufficient time to correct this unfounded report, until the evil of its circulation had been severely felt, in the commencement of their operations. The fact, that, by the alteration of the level, (it being now raised 16 feet higher,) such an accident cannot happen again, was not then generally known; and not being aware or suspicious of any designed misstatement or imposition, many were misled, and made their arrangements to send their property by other channels, although they had previously designed to send it through this Canal. No improvement having been made at the mouth of the Grand River, the harbour was not deemed sufficiently safe, and mariners approached it with great caution, and under much apprehension. In consequence, probably, of the general want of confidence in the Canal and harbours, no previous preparations had been made by the merchants, to avail themselves of this route, although the inducement was great throughout the latter part of April, and beginning of May. The Directors have, however, great satisfaction in being enabled to say that public confidence is now fixed on both the harbour and this branch of the Canal by the summer's experience; and with the additional improvements made, and now in progress, no apprehension need be entertained of a recurrence of such injurious impressions.

Another great inconvenience, however, still continues to injure the business of the Canal; this arises from a dam thrown across the Grand River, some distance above Dunnville, near the rapids, which prevented the greater part of the internal trade by the Grand River from descending this route; and up to this period no preparation is making by the merchants in the interior to descend the river, in consequence of this and other obstructions—which we trust will be remedied during the present session of our Legislature, by granting a charter to a Company to make it navigable as far as Brantford. It must also be observed that no vessels or craft were constructed suitable for the double voyage on both Lakes, and for the Canal navigation—no regular lines of communication were formed between the different ports on Lakes Erie and Ontario; and only four or five boats were in readiness to ply on the Canal. In addition to these unavoidable impediments, a breach took place in an embankment near the aqueduct on the upper level of the Canal, in September, during the most active part of the season, which gave a check to the business and caused an interruption of one month. A recurrence of such an accident will be prevented during the present month by strengthening the banks where required. The expenditure for the past season, out of the appropriation of the Legislature, is as follows:—

In payment of debts due various individuals last year, as per Report..	£5500	0	0
In payment on the work which was in progress, but not estimated.....	£5500	0	0
		11,000	0 0
Contingencies, Engineer's salaries, &c.		2,436	14 4
The expenditure during the past season, in finishing the main Canal, and on the new route.....		11,172	16 5
		£24,609	10 9
There has likewise been expended, out of other funds.....		2,315	18 2
Total.....		£26,925	8 11

In order to deepen the Canal from Port Robinson [Deep Cut] to the beginning of the Gravelly Bay route, for ship navigation, it was necessary to draw off the water as early as the 15th Nov., of which the Board gave timely notice. This is much to be regretted as it has materially interfered with the fall business. It will be again open the first day of April, for the ensuing season. Impediments must necessarily attend the opening of all works of such magnitude; nevertheless, the Stockholders and the public have every reason to be gratified with the result. The real estate and hydraulic privileges belonging to the Company, occasioned much trouble and embarassment in their disposition, and it was decided by the unanimous vote of the Directors, to dispose of them, in the year 1829. In pursuance

thereof, notices were published for six months in succession, in the *Montreal Gazette, New York Commercial Advertiser*, and several country newspapers. The best proposal offered was £25,000, payable in ten years, with yearly interest of £1500. This proposal was acceded to, in the early part of the present season, and the title made out accordingly—the Directors considering it far more advantageous for the Welland Canal Company to realize £1500 per annum, at once, with a certainty of procuring the active exertion of another company, who must embark a large capital for the purpose of erecting machinery, &c., to make it profitable to themselves, which will bring a corresponding increase of toll to the Canal, than to keep the property in possession of the Company, increasing the objects of its attention not immediately connected with operations on the Canal, and rendering their affairs more complex in their management. This sale proves that the Canal has not only given an impetus to the general improvement of the country, but has created an actual increase in the value of property, far greater than the cost of its construction. Trade and commerce are seeking new channels—vessels are in the course of building adapted to its use, the demand for lumber far exceeds the supply, notwithstanding there are twelve saw mills in operation on and contiguons to the line of Canal—six grist mills are built and in course of building, besides various other machinery —and a market is opened for the most bulky and useful articles, heretofore of little value. During the past season, three storehouses and a few scows or boats were procured by the Company, for the purpose of forwarding; a line of communication was kept open from Port Dalhousie to L. Erie, by means of a steamboat, which plied regularly between Port Robinson and Buffalo, and answered the double purpose of towing vessels up the Niagara river, and conveying produce from the American side; a line of packet or freight boats was likewise in operation between Port Robinson and Dunnville, thus forming almost a daily communication between Buffalo, Grand River and Port Dalhousie. This is now discontinued, and the attention of the Directors hereafter, will be confined exclusively to keeping the canal in a state of repair for transportation only, leaving forwarding, and all business connected therewith, open to individual competition. Within the past season there has been transported on the Canal, the following quantity of produce, viz :—

30,081 barrels Flour,
8,600 barrels Pork and Lard,
1,795 barrels Whiskey and High Wines,
2,600 barrels Ashes,
210,104¾ bushels Wheat,
412½ casks Tobacco,
91 kegs Tobacco,
307,718 Staves,
986,888 feet Boards,
4,189 Saw Logs,
28,500 feet Square Timber,
14,182 barrels Salt,
736 tons, 14 cwt., 2 qrs., 2 lbs. Merchandise.

Miscellaneous articles, such as potatoes, butter, cheese, grass seed, vinegar, oysters, brls. fish, biscuit, and various other items, are not included in the above :—

From the best information we can collect, there has passed over the portage at Queenston this season—

65,000 bushels Wheat,
11,035 barrels Flour,
650 barrels Ashes,
4,139 barrels Pork and Lard,
300 hhds Tobacco,
105 kegs Tobacco,
2,000 feet Walnut Boards,
450 tons Merchandise.

Thus it appears, as near as we can ascertain, that there has passed between the Lakes, together, the present season—

41,116 barrels Flour,
12,739 barrels Pork and Lard,
1,795 barrels Whiskey and High Wines
3,250 barrels Ashes,
275,104¾ bushels Wheat,
712½ hhds. Tobacco,
196 kegs Tobacco,
137,718 Staves,
988,888 feet Boards,
4,187 Saw Logs,
28,500 feet Square timber,
14,182 barrels Salt,
1,186 tons, 14 cwt, 2 qrs. 2 lbs merchandise.

Which at our present rate of toll, admitted by all to be moderate, would amount to £4,150. It appears that in 1829, the quantity passing between those lakes was nearly as follows :—

270 tons Merchandise,
5595 barrels Flour,
453 barrels Pork,
620 barrels Whiskey and High Wines,
476 barrels Ashes,
508 hhds. and 765 kegs Tobacco,
97 barrels Hickery Nuts,
5 barrels Tallow,
5 barrels Feathers,
23 casks Bees' Wax,
97 kegs Butter and Lard,
2148 bushels Wheat.

Which would amount, pro rata, to the sum of £375 to £400, and shews an increase in two years of more than 1000 per cent. From these data we have good reason to infer, that the business created by the Canal during the next two years will improve in a much greater proportion. In submitting this flattering statement of the prospects of this Canal, the Directors feel no little gratification in being able to state, that the increase alluded to is entirely exclusive of the New York trade. Scarcely a ton of which passed this route the last season. The transit is wholly from Upper Canada, and to and from Oswego—principally wheat down, and salt up. This trade is confined to Lake Ontario; and from the number of superior flouring mills recently erected at Oswego, cannot fail of increasing to an immense extent, it is also evident, that we have not yet felt the influence of the Canada Trade Act—not 1000 bbls. of flour having been diverted from Lake Erie to the Montreal market since the Canal has been in operation. Much will depend on the enterprise of the Quebec and Montreal merchants who, we trust, will turn their attention to the subject as the advantages to be derived from sending American produce thro'.

the Colonies are so apparent. It was never anticipated by the most sanguine, that this work would remunerate the Stockholders without drawing a portion of the trade of Ohio to and from the New York market. The experience of the first season proves a far more favorable result. The emigration to the Western part of the Province next year, we have reason to believe, will be great. This will continue with a rapidity heretofore unexampled; and in a few years the fruits of their industry will form no inconsiderable item to the general increase of that flourishing part of the country. The Ohio Canal will be finished throughout next year. New commercial houses are forming in Cleveland and other parts of Ohio, in connexion with those of Oswego, Ogdensburgh and Montreal. We have assurances of a regular line of vessels being formed between Oswego and Cleveland, to commence early in the season—which, when brought fairly into operation, cannot fail to draw a portion of the transit of Ohio, Michigan, and the country bordering on those Western waters, (which are rapidly and steadily increasing,) to and from the New York market.—The people of the Western country, generally express a warm feeling in favor of this route, and will not fail to avail themselves of the natural advantages it presents, when fully and fairly developed. In another season three different channels will be open between those lakes—the most western and easiest of access is by the mouth of Grand River, where a good harbor is now in readiness—another, by the Niagara river, via Buffalo and Fort Erie—and the third will be entered at equal distances between the two, at Port Colborne where another new harbor will be made; this presents the shortest and best route between the Lakes. There s good reason to expect from the preparations now making that as much produce will pass the Canal by way of Grand River the first month of the ensuing season, as has gone through the whole of this. We find the yearly increase of transportation on the Erie Canal, baffled every calculation made on the subject by the most sanguine, and we have every reason to expect a similar result. The Directors have given their personal attention, throughout the season, to the Canal, with far greater satisfaction to themselves than heretofore; as they have witnessed, from time to time, the result of their long and arduous duties.

JOHN HENRY DUNN, *President,*
A. McDONELL, *Vice-President.*
T. BUTLER,
ROBERT RANDAL,
J. WARREN,
W. ALLAN,
} *Directors.*

WELLAND CANAL OFFICE,
St. Catharines, Dec. 31st, 1831.

P. S. This Report was intended to have been published in November last; since then a bill to improve the Grand River has passed the Commons House of Assembly, and will no doubt become a law.

APPENDIX

[A.]

To the Hon. J. H. DUNN, *President of the Welland Canal Company.*

SIR:—Being instructed, through William Hamilton Merritt, Esq., to give my opinion of the best route for a sloop Canal from the Deep Cut into Lake Erie, together with my reasons for preferring the same, I beg leave to state, that I am decidedly of opinion the best route is the one terminating at Gravelly Bay. My reasons for recommending this route, are, that it is the shortest and most direct route across the Peninsula; it is the cheapest route we have been able to discover; it can be completed for $60,000 less than the Grand River route, and is eleven miles shorter; and by adopting this route you combine the advantages of the earliest and shortest navigation. You will be able successfully to compete with opposition in the transit of property, by adopting the Gravelly Bay route. In proportion to the less amount of capital required in its completion, the less distance you have to tow vessels; besides the saving of time in passing from Lake to Lake. One further reason for preferring the Gravelly Bay route, is,—that the whole work may be done without interrupting the navigation in the mean time; whereas, on the other, you either lose the use of the Canal the best part of two seasons, or very much delay the completion of the work.

I am,
Sir,
Your most obedient servant,
ALFRED BARRETT,
Engineer.

CHIPPAWA,
May 15th, 1831.

IN THE YEAR 1832.

The greatest activity prevailed on the line this year, until interrupted by the Cholera, which carried off some contractors and many of the workmen. Notwithstanding which the work was nearly completed. The accompanying Report of the Directors for this year [hereto appended marked No. 1.] enters very minutely into details—I refer also to the minutes for this year [appended, marked No. 2.] and the Report of a Select Committee on the Welland Canal [appended, marked No. 3.], and also a concise view of the Inland Navigation of the Canadian Provinces, by A PROJECTOR [marked No. 4.]

Documents referred to in the foregoing remarks:

Report of the Directors for the year 1832, ...	marked	No. 1.
Minutes of the Board of Directors,	"	No. 2.
Report of Select Committee on Welland Canal accounts, ...	"	No. 3.
A Projector, ...	"	No. 4.

This year the Government appointed the following Directors, viz:

John Warren, and
Robert Randall, Esquires.

And the private Stockholders—

The Hon. John Henry Dunn,
Alexander Yates McDonell, Esquire,
T. Butler, Esquire,
Ogden Creighton, Esquire, and
George Keefer, Esquire.

P5

No. 1.

REPORT

OF

THE BOARD OF DIRECTORS

OF

THE WELLAND CANAL COMPANY

FOR THE YEAR 1832.

The Board of Directors have deferred the publication of their annual report beyond the usual period, that they might be enabled to announce to the stockholders and the public *the completion of the Welland Canal*, which will be in readiness at the opening of the navigation to pass vessels by the new route from Port Colborne on Lake Erie to Lake Ontario—the entire distance being only 28 miles.

The rapid manner in which the work progressed, until the prevailing epidemic reached the canal, will sufficiently support the statement made in the last Report, of 1831. That the new route, or continuation of the ship channel direct to Lake Erie, would have been completed at the time specified: but as soon as the cholera made its appearance the affrighted workmen fled from the scene of death. One doctor fell a sacrifice to his humane exertions, a second, hired at double pay, was seized with sickness, and obliged to return to St. Catharines. No competent medical aid could be procured at any price; and upwards of seventy laborers, who a few weeks before were in perfect health, fell victims to this sweeping scourge. When the disorder abated, and the work was resumed, it was found too late for the contractors to finish their jobs before the close of the season—the accumulation of water and other obstacles occasioned by the suspension of the work, rendering the fulfilment of their engagements impracticable.

Before and during this interruption, on the new route, other important works were carred on with vigor; the canal and feeder underwent a thorough repair; the Grand River Dam was made permanent with stone and gravel; waste and stop gates were placed at Dunnville—head of the Feeder, Port Robinson, Broad Creek, Marshville, and the aqueduct, to prevent overpressure on the dam and banks by a regular discharge of the superfluous waters.

A berm bank has been erected from Dunnville to the new cut on the entire line of the feeder, on the recommendation of the arbitrators appointed by the Legislature to award damages to the various individuals residing on the line of the canal, who conceived it necessary to preserve the health of that part of the country—it will also reclaim a large tract of land which would have been overflowed. The embankments have been raised and strengthened on the entire line of the main canal, and the work throughout has been made as permanent as time and circumstances would permit.

The navigation was interrupted about one month last season, in consequence of the grass growing up in a part of the feeder, or Cranberry Marsh, unobserved by those having charge of the work, as well as the boatmen passing daily on the canal. The obstruction was removed in a few days, after the cause was ascertained. No casualty of amount occurred on the line from any defects in the works during the season. The removal of this obstruction tended however to convince a committee appointed to investigate the cause of this long and serious stoppage of the navigation, that to insure an abundant supply of water at all times, it would be only necessary to deepen the feeder from near Broad Creek to the main canal, which they recommended to be done, and which was accordingly executed during the winter.

PRESENT STATE OF THE CANAL.

The dam at the Grand River is a most permanent work. It was constructed in 13 feet water, 7 feet high, with a base of 150 feet, forming a tumbling way 9 chains in length. Waste weirs are likewise constructed on the right bank of the river, 10 chains in length, on a clay bank or point, which has an elevation barely sufficient to retain the water. In addition to this there is a length of about 9 chains cut down through this bank, so as to discharge the surplus water from the Grand River when it rises two feet above the natural surface; by which means a sufficient space is allowed to discharge any quantity of water, which is under perfect control, and regulates itself; so that with ordinary care no danger need be apprehended to any part of the works in this important part of the Canal, which may be considered the key to the whole.

An embankment is made from the right bank of the river, across the low lands, fifteen chains in length, slope two to one, with an elevation three feet above high water mark. A large stop-gate is constructed immediately at the mouth of the feeder, to control the water at its entrance into the Canal. A Culvert is placed under the Canal, about 200 yards below this, to drain the country from Dunnville to Cranberry Creek, 5 miles distant; and another waste weir and waste gate to draw off the water when necessary at Broad Creek. Thence to Marshville, 9 miles, no artificial erection is necessary. Here a waste weir and another stop-gate is placed; half a mile below this is a Culvert through which Mill Creek passes, which discharges the marsh water for an extent of nine miles; thence, for the distance of seven miles, no other erection is necessary, with the exception of a waste weir already erected, and a stop gate, which were intended to retain the water at full head in the feeder, in case of a breach occurring in any part of the main Canal. (The dimensions of this feeder are 20 feet bottom, 36 feet surface, 4 feet depth, and 20 miles in length.) This point is the termination of the feeder or Boat Canal, where it discharges into the main Canal seven and a half miles from Lake Erie.

Leaving the feeder at this point, we will, for the purpose of giving a more accurate description of the *Ship Canal*, commence at Lake Erie. First, with respect to Gravelly Bay, now Port Colborne. This may be considered almost a natural Harbor, two reefs of sunken rocks converge within 620 yards of each other, leaving a depth of from 8 to 22 feet water; the main channel being to the westward of the entrance to the Canal. The water maintains a sufficient depth to near the shore, and the Harbor is sufficiently spacious for all purposes. The bottom is of clay, affording excellent anchorage, and the approach

to it uninterrupted and safe. Piers are in progress which will form a perfect shelter for vessels, and completely protect the entrance into the Canal.

A Lock of 6 feet lift, constructed of stone above water, brings you to the summit, which is supplied with water from the Grand River, by the Boat Canal or feeder before described. From this Harbor a towing path is made on both sides of the Canal, to the junction; one side of which forms an excellent carriage road, 30 feet wide. Two bridges and two culverts are constructed in this distance, which altogether forms as beautiful a line of Canal as any in America.

The Aqueduct over the River Welland, one mile from is, is constructed of wood, 600 feet in length, and serves as a waste weir to regulate the water to near the Deept Cut, four miles; where there are two other waste weirs and a stop gate. At the South end of the Deep Cut are two Locks of 8 feet lift each, by which you descend to the Chippawa or River Welland, on the route leading to the Niagara River. Proceeding two miles further, to the north end of the Deep Cut, another waste weir regulates the supply of water for the remainder of the descent to Lake Ontario. The water can be discharged from this level, at pleasure, into the Welland river. The first descent towards Lake Ontario is made at this point by two Locks of 8 feet each. Thence one mile is a waste weir on the west branch of Beaver dam Creek, and a culvert under the Canal. Thence two miles is another culvert, to pass the middle or main branch, and a waste weir on the east branch of said stream. Thence to Thorold, two miles, are two waste weirs, to discharge as much water from the Canal as may be required by the 10 mile creek, or to retain it in the main channel. Thence a continuation of waste weirs and Locks alternately on each level (except three, where they are also required) to the Harbor.

The water is taken out of the Canal, from the summit, in three different positions, for hydraulic purposes, so as not to interfere either with the navigation, or to obstruct it for any necessary repairs.

From the Grand-River throughout to Lake Ontario, the lands and waste weirs work well, and answer the desired purposes.

REPAIRS AND ERECTIONS,

Recommended to render the Canal perfect for the navigation of vessels.

1. Deepening the feeder from within two miles of Broad Creek to the main Canal.

2. Repairing two Locks on the main Canal, one of which was found defective at the close of the navigation, so as to render it necessary to take up one end from the foundation.

3. Deepening some parts of the Deep Cut, and extending the pier 100 feet at Port Dalhousie. The outer pier at Gravelly Bay is under contract, and will be finished during the season.

4. To construct a stop gate or feeder above the main Canal.

5. To strengthen the banks for the last time; to raise all those over ravines or low grounds, one and a half feet above the ordinary height, to prevent damage from sudden floods.

Those repairs would have been nearly perfected before this time, had the Board been provided with means; as the weather in the latter part of the fall and the commencement of the winter has been peculiarly favorable for such operations. [They are now in progress.]

ALTERATIONS,

Recommended to command the entire transportation between the Lakes.

It must be obvious to the most casual observer, from the facility and certainty which steamboats offer, they will always command a great portion of light and valuable freight, as well as passengers; and without putting our harbors in a situation to receive those boats, the Canal cannot depend on receiving this portion of the transit. The Lock at Port Dalhousie was erroneously placed at the entrance of the harbour at the commencement of the work, before steamboats were extended to their present enlarged dimensions. It is necessary, therefore, to remove this Lock about half a mile up the Bay, so as to admit steam vessels with ease and facility, and leave a large basin on the same level with the Lake. Mr. Nathan Pawling, who owns the property at this point, has offered to make the alteration for £2,500, and not obstruct the navigation.

2. Extending the outward piers at Port Colborne, Lake Erie, and erecting a light-house.

3. Extending the main pier at Grand River, 500 yards, as originally intended; and one 200 yards on the east side, which will make it the most spacious harbor on the Lake. These alterations and improvements may be made in due process of time, without interrupting the navigation, and will not in all exceed £12,500.

ALTERATIONS

That may be effected hereafter.

A very great difference of opinion existed at the time the slips at the Deep Cut occurred, many contending that the plan of making the Rivers Niagara and Welland the feeders and summit should be adhered to, and the slips removed, be the expense what it may. Experience has since proved the alteration then adopted in taking a higher level was judicious; in fact the Canal could not have been constructed without it. By referring to the Report of the Directors for 1828, it will be seen that the Deep Cut was excavated to the bottom of the level at both ends, and that only a small portion of earth remained in the centre, a distance of 40 chains; and that with the force then employed ten days or a fortnight would have removed it so as to have drawn the waters of the Welland through into Lake Ontario. The bottom of this part proving to be quicksand, slips occurred, which rendered it indispensably necessary to resort to a higher level, which is now attained from the Grand River.

The middle branch of the twelve, or Beaverdam Creek, commences at the north end of the Deep Cut, and forms a natural ravine, falling off 40 feet below the present surface of the water in the Deep Cut. The Board has reason to believe that, by cutting the embankments and letting the water rush under this head, it would remove the sand from the bottom and deposite it in the ravine below, leaving a sufficient

cavity for the clay to form its natural slope. The embankments can be replaced in the spring without damage to the Canal.

The Board considered it due to the former as well as present Directors of this Company, to take a brief review of their past transactions. It was not their intention to have entered into this explanation until after the work was fully and perfectly completed in every respect according to the alterations and improvements recommended, but recent occurrences have rendered it necessary.

In the first place, it will be remembered that when this undertaking was commenced, in 1824, no work of a similar nature had been attempted in the Province. The object then in view was making a small cut to draw the waters of the Chippawa into the Beaver Dam and Twelve-Mile Creeks; improving or widening the beds of those streams to Lake Ontario, and descending the mountain by a wooden railway. The summit of the Deep Cut was apparently a level swamp, from whence the waters gradually flowed, both into the Welland River and Twelve-Mile Creek. The depth of this cut was supposed to be inconsiderable. At this period there was not a person to be obtained in Upper Canada who knew the use of a spirit level. In August, an engineer was procured from the State of New York, who surveyed, levelled, and reported thereon.

In January, 1824, an Act of Incorporation was obtained, a part of the stock subscribed, and the work commenced on the 30th November. At this time the subject began to attract public attention. The stockholders applied for an extension of capital, with a view of enlarging the Canal for ship navigation. Mr. M'Gillivray and others, of the Canada Company, having taken an active part, the Directors were under the impression that Company would co-operate most cordially in promoting the object, and that the stock would be taken up in Great Britain through their influence. During this year surveys were made by Messrs. Clowes, Hall, and Roberts, who reported thereon—the last being one of the principal engineers employed in constructing the Erie Canal, and a gentleman in whom great confidence was deservedly placed.

It was discovered during this year that the mountain could not be descended on the original route with a canal of the increased dimensions contemplated, without a combination of locks; to avoid which another route was selected, at a great additional expense.

In 1826, an Act was passed, authorising the deviation in the route, and granting a loan of £25,000 by the Provincial Legislature. This sum the Directors had reason to believe would be refunded by the stock expected to be subscribed in England. In this expectation they were disappointed; and to this cause the difficulties and embarrassments that attended the undertaking may be attributed.

A great part of the private stock had been paid in; the work was all under contract, and in a state of forwardness; the only alternative was to prosecute the work with vigour, and make every exertion to obtain subscriptions for stock, and such other aid as could be procured; or abandon the work now committed to their charge. The Directors, happily for the Province and all concerned, decided on the former. They applied for and obtained, through His Excellency Sir Peregrine Maitland, a grant of all the waste lands in the Cranberry Marsh; and employed David Thomas, one of the principal engineers on the Erie Canal, to take charge of the work.

In 1827, the Legislature of Upper Canada subscribed stock to the amount of £50,000, and the Legislature of Lower Canada £25,000; and His Majesty's Government granted £16,360 on certain conditions, which were complied with on behalf of the Company. This year, Mr. Alfred Barrett was appointed principal Engineer, having been, since the commencement of 1826, a resident Engineer.

At the close of this season the Directors had every reason to believe that the work could be accomplished by the end of the ensuing year, provided means were at their disposal; to obtain which, in 1828, they made an application to the Home Government for assistance, and obtained a loan of £50,000, payable in ten years, at four per cent. Subscriptions for stock to the amount of £30,000 were obtained at the same time from private individuals. Every part of the work was pressed forward with the greatest energy, and placed in readiness for the early navigation of the ensuing year by the Niagara River; and up to the 9th of November they were in confident expectation that their views would be realised, when an end was put to their hopes by the slips in the Deep Cut. This casualty was attended with the most serious and appalling consequences, which no energy or exertion could fully counteract. The most serious evil was the *delay* attending the new plan they were compelled to adopt.

Every exertion was made to bring the feeder from Bearfoot Rapids, or from some point up the Grand River of sufficient height to avoid erecting a dam across that stream; which, after repeated attempts, was found, by the most experienced Engineers, (Mr. Geddes as well as Mr. Barrett,) to be impracticable at any expense within the means of the Company to command. They mention this more particularly as an opinion prevailed that this survey was never made.

The best situation for building a dam across the Grand River was about half a mile from the mouth; where the ground was marked out, the work placed under contract, and about £400 expended; when, by the representations of Commodore Barrie, a stop was put to the work, and the Company were compelled to select another situation five miles up the river, and cut an entire new feeder that distance, at an additional expense to the Company of at least £10,000.

Notwithstanding these obstacles, and their attend ant delays in 1829, an entire canal or feeder, 27 miles in length, a dam, of no ordinary dimensions across the Grand River, an aqueduct over the Welland, and four locks at the Deep Cut, were constructed, and the water let in by the 5th of October. To forward the work the feeder was excavated one half its intended width, to admit the water into the main canal, to prove the levels, and satisfy the public that the plan would answer the desired purpose, which was generally doubted at the time. A vessel was passed through from Lake Ontario to Erie in November of this year. Another effort was made during this season, in England, and a considerable sum subscribed by individuals.

In 1830, an application was made to the Legislature for a further grant of £25,000, to pay off the debts and widen the feeder. A commission was appointed by the Legislature this Session, whose report we subjoin (see Appendix A.)

The navigation of this season, by the Niagara River, was quite sufficient to show that impediments existed of so serious a nature as to induce the Directors to recommend the extension of the ship canal to Lake Erie, by a more direct route; which was most fully concurred in by the Commissioners appointed by the House of Assembly.

In 1831, an application was made to the Legislature for a grant of £200,000 to extend the Canal into Lake Erie, finish it in a durable manner, and enable them to pay off all demands against the Company. This measure was recommended by a Committee, and at one time adopted by the House; although subsequently altered to a loan of £50,000, under certain restrictions. This alteration is to be regretted, as it has failed to accomplish the desired object.

From various delays in exploring the different routes, the work was not put under contract until late in the season; and very little progress was made in it, from the heavy rains which prevailed during that year, and the peculiar situation of the route, which could not be drained until back ditches were formed nearly the whole extent of the cut; in consequence of which, together with the low price at which the work was taken, every contractor on the line, with one exception, failed to finish his work, which had to be re-let to other contractors.

During the past season (1832) the work was prosecuted with a degree of vigour and energy equal to any former period.

It is not the intention of the Board to discuss whether this work has been sustained with that degree of public spirit with which similar undertakings have been prosecuted in other countries; or whether the embarrassments they have had to contend against, from time to time, are not principally to be ascribed to that cause. By those who have had any practical experience in the construction of canals, or works of a similar description, an excess of expenditure over the original estimate is considered a matter of course; by those who have never given the subject much consideration, the causes are not so readily comprehended. In the different estimates alluded to, the enlargement and extension of the Canal is generally kept out of view.

The first loan granted from the Legislature of this Province, of £25,000, was supposed to be repaid out of the stock which the Directors had reason to believe would have been subscribed in London. In this expectation, as already shewn, they were disappointed.

The Stock to the amount of £50,000 was subscribed, on condition that the Company would pay the interest until the Canal was finished; and this was supposed sufficient to get it in operation, and open the navigation by the Niagara river.

The casualities arising at the Deep Cut compelled the Board to resort to the Grand River for a supply of water, and protracted the completion of the Canal nearly two years. This cause of itself greatly increased the expenditures, besides accumulating interest and depriving the Company of any income. The loan of £25,000 was for widening and increasing the dimensions of the feeder; and the last loan of £25,000 was for a new object,—the extension of the ship canal to Lake Erie by the shortest and most direct route, thereby avoiding the Niagara river altogether.

	MILES.
This navigation extends from Lake Ontario to Lake Erie, for vessels drawing 8 feet water,	28
From Port Robinson to Niagara River,	9½
From the mouth of Grand River to Dunnville,	5
Total ship canal,	42½
Boat canal, or feeder, four feet water,	20
	62½

with a lockage of 340 feet, and the construction of three entire new harbors.

The canal has already cost	£345,955
There will still be required to pay the debts due for labor, &c.,	11,000
Making,	£356,955

It may be asserted without fear of contradiction, that including all delays, casualities, and unavoidable expenses, few works, in any country, have been constructed at less cost. It is notorious that the work has been constructed in the cheapest manner and with a degree of economy perhaps never equalled by any similar undertaking; as one instance we will merely mention that the Erie Canal, with four feet water, cost, from Lake Erie to Lockport, before descending the meuntain ridge, a distance of 28 miles, $1,600,000. The deep cut, for one mile and three-fourths, was from 30 to 56 feet deep, and cost one half of the amount of the whole canal from Welland to Ontario.

The Board has reason to regret, on account of the Stockholders, that the completion of the Canal has been prolonged so far beyond the period anticipated at the time the work was commenced, as well as the great increase of expenditure beyond what was then contemplated. They alone are the sufferers: to their enterprise and exertions are the provinces indebted for the undertaking; and in no way have they derived any advantage from the work; the actual dividend hereafter to be made is all they can look for. Notwithstanding, those most deeply concerned have only expressed a desire to see the full and perfect completion of the canal; having every confidence that when completed as it should be it will meet their most sanguine expectations.

The British Government, and the provinces of Upper and Lower Canada, have different views and interests, and are already gainers by the work, which every person having any pretension to financial affairs must admit.

In the first place, with respect to the British Government.—They have expended a large sum in the construction of the Rideau Canal. The completion of the Welland is indispensable for the profitable use of that communication, by drawing a great share of the transit from the Southern and Western parts of the United States of America through it.

Secondly, the Crown Lands held by Government, adjoining Lakes Erie, St. Clair, and Huron, have been enhanced in value by its construction, to an incalculable amount, besides the indirect advantages accruing to the shipping interest, and the increase of commerce to Quebec, Montreal, and Great Britain.

Thirdly, Government has the privilege of passing the canal free of toll, with all government vessels and stores, secured by an act of the Provincial Legislature, in 1827.

The above act was passed in consequence of receiving the following Despatch :—

"Downing Street, *Sept.* 30*th* 1823.

"*Sir*—

His Majesty's Government having granted the sum of twelve thousand pounds in aid of the expense of constructing the Lachine Canal in Lower Canada, upon condition that all boats and vessels with public stores should be permitted to pass without the payment of any toll or duty; and considering that the Welland Canal, now in progress on the Niagara frontier, will afford great facility in forwarding stores to Lake Erie and the upper parts of the Province of Upper Canada, and that by constructing the Locks of the width of twenty two feet, it would become a work of much greater public utility; I am to desire that you will acquaint the Directors that His Majesty's Government would be willing to afford the same degree of assistance towards the expense of the Welland Canal which was given to that of Lachine, which is about a ninth of the estimated sum required in its completion; and as the estimated expense of the Welland Canal is one hundred and forty seven thousand two hundred and forty pounds, the sum to be contributed by the public for the privilege of forwarding government stores &c., would be sixteen thousand three hundred and sixty pounds.

In the event of the Directors agreeing to this proposal, it is necessary that a Provincial Act should be passed in which the Company shall engage to construct the Locks of the Canal of the width of at least twenty two feet, and securing the use of the Canal to all vessels and boats the property of His Majesty; and also to all other boats and vessels, when engaged in carrying Government stores, without the payment of any duty or toll, in consideration of the sum of sixteen thousand three hundred and sixty pounds; to be paid in four equal annual instalments, or sooner if the Canal should be completed at an earlier period.

I have the honor to be,
Sir,
Your most obedient
Humble Servant.
(Signed) BATHURST.

Major General,
Sir Peregrine Maitland,
K. C. B.

Besides the above advantages, the Government has been accessary, although with the best intention, to increasing the expenses of the Company, by compelling them to remove the dam at the Grand River. It was expected at the time that Government would make this Harbour, which would in part compensate them; but they have been under the necessity of constructing it since, at their own expense.

In 1828 the Company made an application to the British Government for assistance to finish the work. The terms offered were a Loan of £50,000, payable in ten years, at four per cent; or a grant of £27,000, payable in four yearly instalments. Their necessity compelled them to accept the former; knowing the Canal would be useless until in operation, the Company have at all times made that a primary object, and have been compelled to accept any terms to accomplish it. However, now that the main object is effected, the Board entertain no doubt that His Majesty's Government will carry their original intention into effect, and place the Welland at least on as favorable a footing as the Lachine Canal, by still making a grant of *one-ninth of the actual expenditure.*

With respect to the Province of Upper Canada, although the capital invested in Stock and Loans amounts to £150,000, the Company have kept down the interest from time to time on both; so that the outlay by the Province in payment of interest, is about £15,000. The duties from the United States, and the one fourth from Lower Canada, on the increased consumption created or caused by the Canal since 1824, we assume from the best information we can obtain on the subject, at £2000 per annum, for eight years,—which amounts to £16000. The present increased and flourishing state of the revenue of Upper Canada, compared to 1828 or 1829, will fully corroborate the above assertion.

The Province of Lower Canada has three fourths of the revenue collected at the Port of Quebec, the increase of which has been very great for the last few years.

In 1829, the value of imports, on which two and a half per cent was paid amounted to	£ 874,082
In 1830	1,190,836
Shewing an increase in one year of	£ 316,754

Without entering into a detailed calculation on the subject, it is evident that the increase created by the Welland Canal is abundant to overpay the interest on the capital expended by the Legislature of that Province in its construction, besides the advantages from the transit, commission, profit on foreign commerce, shipping interest, and all those indirect though positive advantages which every Port acquires by drawing an excess of produce to it.

The population of the two Canadas is about 750,000. We assume one tenth for the increase of that portion influenced by the Welland Canal, which cannot be deemed overated, as the district of London alone contains 42,396.

If those advantages are already felt, what will they be ten years hence?—It is evident a much greater extent of country lies to the south and west of the Welland Canal than to the north; and if so, a greater quantity of produce must be brought through it for the Montreal market than reaches that market at the present time from that part of the country now situated below the canal.

During the past season the Board were apprehensive they would not be able to pay all demands against them on the completion of the work, and made a timely representation to His Majesty's Government to relinquish the mortgage they held on a part of the property belonging to the Welland Canal Company, consisting of the hydraulic works, and

a large tract of land lying on the margin of the canal. The subject was left to the decision of His Excellency Sir John Colborne, Lieutenant Governor, who promptly acceded to the application.

This property, which is considered by competent judges to be of far greater value than the sum required, they offered as security to the Legislature, in order to obtain a sufficient sum to enable them to pay off all demands against the Company, and finish the canal.

The subject was fully discussed, and the same favorable disposition was manifested by a majority of the House towards the undertaking which influenced their decisions on former occasions; at the same time they deemed it most judicious to appoint a commission consisting of three gentlemen from different parts of the province, with power to appoint an Engineer to examine the works, and make a general report to lay before the next Legislature; and in the mean time to put and keep the canal in repair for the present season, for which purpose £7,500 was placed at their disposal, leaving the security proferred at the disposal of the Board to liquidate the debts already incurred. Those commissioners have already examined and reported on the efficiency of the canal, which in their opinion, notwithstanding the late period when the work was commenced, will be open by the first of May next.

The Directors also presented a memorial to the Legislature of Lower Canada, early in the season, praying for a loan of £12,500 to enable them to finish the harbors at each termination of the canal, on sufficient scale to admit steam boats of the largest dimensions now navigating, or which may hereafter navigate those lakes, as shewn in the former part of this report.

They have seen a document published by a committee of the legislature of that province, signed by Austin Cuvillier, Esq., Chairman, stating in the first place that they had received no information whatever on the subject of the canal; but after examining the various Acts of the Legislature of this province, shewing the several sums borrowed, they are of opinion that *it would be imprudent to grant the loan.*

On this subject the Board would merely remark that Reports have been published each year on the progress of the work, and forwarded to each individual stockholder, besides being inserted in different papers; in addition to which they prevailed on William Berczy, Esq., M. P. P., a gentleman living in the Western District, who possesses the most extensive information respecting the country above it, as well as the situation of the Company's affairs, to go to Quebec two successive years, 1830 and 1831, for the express purpose of affording the Legislature every information on the subject of the canal.

The different acts of Parliament, amount of expenditure, and the Reports of Commissioners appointed by the Legislature of this province, are public records to which every member of the Legislature of Lower Canada has access. The Board therefore feel it due to themselves not to pass over in silence an imputation or censure for withholding information which they have spared no pains or expense to communicate.

It would further appear by that report the committee did not fail to avail themselves of the information alluded to, as they recapitulate, with much precision, *the amount of debts* for which the Company are liable.

We have shewn in the preceding pages that the province of Lower Canada has benefitted by the construction of the canal in a pecuniary point of view. At the same time the Directors never could have entertained a doubt that the Legislature would be actuated by those considerations; neither do they think so now, had the question been brought fairly before them. The Directors conceived it necessary only to submit the following *facts* for their consideration.

The Welland Canal commences near the same point with the Erie Canal; the one intended to draw the produce and commerce of the southern and wester world to the *New York market*, the other to *Montreal.*

The general government of the United States have laid out annually large sums of money, and are continuing to do so, in the construction of harbors at every feasible point on the south side of Lake Erie. Not less than $200,000 have been expended on the harbors of Buffalo and Black Rock alone, by which facilities the commerce of their country is increased, and they obtain a return in duty at the port of New York in proportion to this increase. Whereas, while we possess the most decided natural advantages, they are lost for want of public spirit to improve them; for we maintain that if Lower Canada would contribute a portion of her means to effect those objects, she would be immediately repaid by the increased revenue which those improvements would create; and while that province is receiving three fourths of the revenue procured by our exertion, where could we or should we apply with more confidence for assistance?

The public advantages arising from the canal are at this period so generally understood that a further allusion to them may appear unnecessary. As a proof however, we would merely notice that at Dunnville, Grand River dam, (a place which before the construction of the canal was a waste, or not inhabited,) there are three lumber mills, one flour, fulling, and carding mill, three merchant's shops, three store houses, and some thirty or forty dwelling houses; and the lands in the neighborhood, formerly valuless, are now selling at from $4 to $8 per acre.—A small village, with a grist and saw mill, is springing up at Marshville, another is laid out, and will form a prominent point at the junction.

Port Colborne has been retarded in consequence of the Company not getting a title to the land adjoining the harbor. As soon as this difficulty is disposed of, a number of individuals are ready to erect buildings; and from its favorable position, a large town will suddenly supply the place of a sunken morass wholly unfit for cultivation; but which has, by the operation of the canal been effectually drained and rendered valuable. About 30,000 acres of land has been likewise reclaimed in the townships of Humberstone, Wainfleet, and Moulton.

Port Robinson at the South, and Allanville at the north end of the deep cut have not increased as rapidly as the situations warrant, in consequence of a general belief that the deep cut will be lowered to the level of the Welland. A small village is com-

menced at the former; and a grist and lumber mill building, and one in operation at the latter.

Thorold is rapidly increasing. The largest grist mill in the province; four lumbering mills, and a large village, are erected, where it was quite a wilderness when the canal was commenced.

The value of lands in the neighborhood of the canal increase in proportion, so that it would be difficult to estimate the extent of wealth created by its construction.

Further, the price of conveying a barrel of flour from Fort Erie to Queenston, 28 miles, around the falls of Niagara, was formerly 2s. 3d. It is now conveyed from Cleveland to Prescott, through Lake Erie, the Welland Canal, Lake Ontario, and 70 miles down the River St. Lawrence, in all 500 miles, for 2s. 2d. This proves beyond question that no mode of conveyance can successfully compete with the double voyage, made without transhipment; as well as the great gain the province derives by lessening the price of transportation generally.

From the most anthentic information, we have reason to believe the continuation of the Rideau Canal (now finished to the Ottawa River) to the Lachine Canal, will be completed during the present season. The report of the Ohio Canal Commissioners is now before us, and announces the completion of that work from Lake Erie to the Ohio River, 308 miles in length, besides the tributary feeders; which will give an uninterrupted water communication from the *Mississippi* to the Gulf of St. Lawrence.

These facilities for transportation, of themselves, warrant the belief of a great increase of transit. It is hoped the British Government will place such a discriminating duty on cotton and tobacco, when received in the ports of Great Britain, as will insure a fair proportion of the transit of those articles through our Canals from the southern and western parts of the United States.

The increase of transit from the American side during the past season, under all the difficulties and delays attending the round about and tedious navigation of the Niagara River, was 100,000 bushels of wheat.

The increase of upward freight was principally in salt, which amounted to 35,000 barrels, about as much as reached Lake Erie by the Erie Canal three years ago.

Information from various quarters on the American side sanction the belief that a great increase may be expected the approaching season; but very little from the Canada side, as the continued emigration consumes the greater part of the surplus produce now raised.

RECAPITULATION.

From the preceding Report it will appear that the aspersions so frequently cast on the Directors of this Canal, are neither just nor reasonable. There has been no want of exertion or skill in conducting, nor economy in executing, this arduous undertaking. The increased expense and tedious delays proceeded from causes not within their power to control, nor were they accountable for the consequences.

The changes made in the line of Canal, its increased dimensions, alteration of the original plan, and the removal of the dam after the works had been in considerable progress, involved the Company in great additional expense and loss, for which *no allowance has been made in public opinion.*

The Stockholders *alone*, who have paid closer attention to the subject, view the undertaking in its true light, and are entitled to the consideration of the country for the sacrifices they have made, and for the spirited manner in which they have sustained the work. *They* have laid out of their capital for many years, and have *sustained a positive loss;* while the British Government, and the provinces of Upper and Lower Canada are *positive gainers.*

The losses, delays, disappointments, and embarrassments, against which the Company have struggled since the extension of the Charter for ship navigation, and the failure in procuring the stock in England, can only be known to those Stockholders who have examined the subject, and the former Directors, who are entitled to all praise for their patriotism and perseverance. We would name them individually, but it is unnecessary; the public knows who are and who have been the undeviating supporters of the undertaking, and by whose exertions the present Directors have the satisfaction to announce to both hemispheres (for both are deeply interested), that vessels fit to navigate the Atlantic, of 120 to 150 tons, can pass freely from Lake Huron, Michigan, St. Clair, and Erie, to Prescott, embracing an extent exceeding 1000 miles; and on the completion of the ship Canal, which is now commenced on the St Lawrence, may continue their voyage to Great Britain, or any part of the world.

Alex. McDonell, *Vice President,*

William Chisholm,
William Elliott,
George Keefer,
Ogden Creighton,
Thomas Butler,
} *Directors.*

WELLAND CANAL OFFICE,
St. Catharines, 1st March, 1833.

APPENDIX.

[A.]

For Report of Robert Randal, Esq., Commissioner, see Appendix to remarks of 1830—[marked No. 5.]

No. 2.

MINUTES OF THE BOARD FOR 1832.

THURSDAY, *2nd, Feb.*, 1832.

At a meeting of the Board of Directors, held at St. Catharines.

PRESENT:

Alexander McDonell, *Vice President*
Robert Randal, and
Thomas Butler, Esquires.

The minutes of the last meeting were read and confirmed.

Resolved, That all claims be paid up to this date, including salaries, &c., but no further payment be made out of the appropriation of £50,000, except for labor on Gravelly Bay route (and the necessary repairs on the Canal) until that work is completed, and that the officers of the Company be notified accordingly.

Mr. Washburn having written for payment of £29 5s., allowed by the committee in full of Trotter's claim submitted to them.

Resolved, That the Secretary inform Mr. Washburn that Mr. Trotter has no legal claim upon the Company, but that the Company have agreed to pay him that amount (which is over and above his estimate) as recommended by the Engineer, when they have funds.

Resolved, That the President execute a bond and debentures for the amount of £10,000 for Bank of United States, Buffalo.

March 1st, 1832.

At a meeting of the Board of Directors, held this day at St. Catharines,

PRESENT:

Alexander McDonell, Esq., *Vice President*,
R. Randal, and
T. Butler, Esquires.

The mintes were read and confirmed.

The estimates and contingencies, amounting to £1957 18s. 2½d., approved and a draft signed by the Vice-President for the amount.

Mr. Orson Phelps' account as Collector at Dunnville, from 1st. to 11th. October, 1831,—ordered to be paid from the toll account.

A letter from the President enclosing one from Mr. Dickson, respecting claims of Indians, was read.

Resolved, That Mr. Dickson be written to and referred to the Act appointing arbitrators to examine such claims and award accordingly.

Also respecting J. Trotter's claim for which he has sued the Company.

Resolved, That Mr. Washburn be written to by Mr. McDonell on the subject.

Mr. Hotchkiss' letters respecting Hathaway's suit were submitted.

Resolved, That the Secretary prepare a copy of the act of incorporation, and also the last act of the Legislature respecting the Company as required, and proceed to York to obtain the Secretary of the Provinces' seal and certificate thereto, and also the Governor's certificate that such Secretary is duly authorised to annex the seal, &c.

Mr. William Mylne's letter respecting a bridge over the canal—read.

Resolved, That Mr. Mylne be informed that the consideration thereof is deferred until a full meeting of the Board.

April 5th, 1832.

At a meeting of the Board held this day,

PRESENT.

Alex. M'Donell, *Vice-President.*
And Thomas Butler, Esq.

In consequence of no other members being present, the meeting was adjourned to Monday next, the 9th instant.

Ordered, That Mr. Warren and Mr. Randal be written to accordingly.

9th April, 1832.

At an adjourned meeting of the Board of Directors, held this day—

PRESENT:

Alexander M'D'Donell, Esq., *Vice-President.*
Thomas Butler, and
Robert Randal, Esquires.

No estimate being made for March, the Engineer's recommend an advance to Contractors of $3940 = £985.

Resolved, That in addition to the printed regulations of last year, it is ordered that no saw mill will be permitted to run on the line of the Canal until proper racks or floors are constructed to prevent the saw dust from getting into the canal, and that 500 copies of the regulations be printed.

Expunged 2nd Sept. 1835. *Resolved*, That a suitable person be appointed at Chippawa to attend the toll bridge and keep a record of all vessels, boats, and craft passing in and out, with their loading, and that he be paid the sum of six pounds ten shillings per month for his services, and that the agent have the power of appointing him.

Resolved, That a Collector be appointed at Dunnville, whose duty it shall be to collect toll, make an entry of every vessel, and their loading from Lake Erie—all lumber passing up and down the Grand River or Feeder, and all articles cleared to Port Dalhousie.

Expunged 2nd Sept. 1835 *Resolved*, That a Collector be appointed at Port Robinson, whose duty it shall be to enter every vessel, boat, raft, or craft of any description, with their loading, passing either up or down the canal; also to examine the cargoes of all craft from Grand River.

That a Collector be likewise appointed at Port Dalhousie, whose duty it shall be to receive all tolls on upward freight.

Expunged 2nd September, 1835. That Returns from each Collector shall be made to the Welland Canal Office on or befor the 6th day of each month for the preceding month, and on neglect or refusal to do so, the Secretary shall report the same to the Board, and his situation be considered vacant.

Expunged 2nd September, 1835. That each Collector shall be personally liable for the amount of toll collected, as no account will be kept by the Company.

That the undermentioned persons be appointed Collectors:—

For Grand River, Orson Phelps.

For Port Robinson, Robert Randal, Esquire.

For Port Dalhousie, George Smith.

Expunged 2nd September, 1835. *Resolved*, That the compensation to Collectors shall be as follows :—

25 ℔ cent. till it exceeds £ 100 ℔ ann.	Say till it amounts to 10s ℔ diem at Dalhousie and Robinson, and at Grand River to 5s. ℔ diem.
15 ℔ cent. till it exceeds £ 500 ℔ ann.	
10 ℔ cent, till it exceeds £1000 ℔ ann.	
7½ ℔ cent. till it exceeds £1500 ℔ ann.	
5 ℔ cent. till it exceeds £3000 ℔ ann.	

Resolved, That the above be communicated to all parties by letter.

Resolved, That the packet-boats be sold on the 15th to the highest bidder.

Resolved, That the payment of £300 to the Bank on account of Lewis, Garrison & Little be advanced, and to other contractors on the new route at the discretion of the Engineer, to be deducted from next estimate.

THURSDAY, *May* 10, 1832.

At a meeting of the Board of Directors, held this day

PRESENT :

Alexander M'Donell, Esq., *Vice-President.*
Robert Randal, and Thomas Butler, } *Esquires.*

The minutes of the 5th and 9th April were read and confirmed.

Resolved, That the Vice-President's draft for the balance in the United States Bank, Buffalo, which was given on the 4th instant, for £2514 6s. 5d., be approved.

Resolved, That the remaining £10,000 debentures be prepared by the President and Secretary, ready to issue when required.

Resolved, That the following clause be added to the first Canal regulations, viz. :—All vessels, boats, or other craft, shall be subject to pay whatever damage they may cause by injuring the lock-gates, bridges, or any other erections, by carelessness or inattention, before leaving the Canal.

Joseph Burger's letter respecting the balance due him, as awarded for damages, &c., removing his house, amounting to £241 11s. 3d., besides interest, and offering to take £200 in full of all demands.

Resolved, That Joseph Burger's offer be accepted, and that the amount be drawn for on the Bank of Upper Canada accordingly.

The undermentioned petitions, deferred last Board, were again deferred to a fuller meeting, viz. :—

William Mylne, for a bridge across the feeder.

Calbraith & Saxe, to make good loss on contract.

David Trotter, for work on feeder.

Mr. Boulton, respecting Oliver Phelps.

Wm. C. Johnson, for compensation.

Raymond Baby's application for $6 rejected.

Lewis & Little's application for £300 approved of.

Resolved, That the contingent account for April, amounting to the sum of £26 6s., and Secretary's salary to 1st May—£50—be approved and paid.

Messrs. Bush & Shepherd, of Ogdensburgh, applied for a reduction of toll upwards similar to the merchants of the Oswego line, to which the latter object, as it would be placing the former on a better footing than themselves, to whom it was granted, with a view of drawing a portion of merchandize from New York Market on the Canal.

Resolved, That the Ogdensburgh merchants be placed on the same footing as the Oswego, provided they come into their line, otherwise no reduction to be allowed.

No bidders having offered for the packet-boats on the day appointed for the sale thereof,

Resolved, That they be repaired and sold.

Resolved, That the Collectors be authorized to receive drafts for toll at 30 days date until the 1st of August.

Resolved, That the toll be remitted on the packet-boat to Dunnville, on condition of carrying officers belonging to the Company gratis, until next meeting of the Board.

Mr. Clark having been required, by minutes of the 4th November, 1831, to give security to the amount of £1000, on taking upon himself the office of Book-Keeper to the Company, submitted the following :—

Job Northrup and Charles Ingersoll, Esquires, as his securities.

Resolved, That the same be accepted of, and that he enter upon this office accordingly.

MAY 31, 1832.

At a Meeting of the Directors, held this day at St. Catharines,

PRESENT :

The Hon. John H. Dunn, *President.*
Alexander McDonell, Esq., *Vice President,*
Robert Randal, and
Thomas Butler, Esquires.

Mr. Phelps' business was submitted to the Board, which was considered of too much consequence to receive any decision of the present meeting, and it is therefore referred to a future and full Board of Directors.—In the mean time the Engineer is desired to state most fully the whole of the particulars in relation to those Locks done under the Contract of Mr. Phelps of which there appeared to be a variety of opinions as to the mode of construction and deviation from the model laid down for adoption according to contract.

William Calbraith's application to have made good the loss on enlarging Canal from Port Robinson—

Referred to Engineers, who have reported thereon—it was approved and ordered to be paid.

Submitted to the Board—

Mr. Nathan Pawling offers to remove the Lock at Harbor and make a Steamboat Harbour for $10,000 payable as follows—$2500 this season, and the remainder when the Harbor is finished.

Deferred to a full Board.

By experience it appears the Locks can be repaired with stone cheaper than with wood.—It is probable that three Locks may require renewing this season or the beginning of the next—Quere,—Shall the stones be prepared and a Contract entered into for it?—It can be quarried on the new route and delivered at a moderate price if taken in time.

Plan submitted herewith.

The cost of Lock tending is at present per month:

For Harbour	$15
Davenport	80
Vanderburgh	192
Campbell	20
Bell	20
	$327, or £81 15.

whereas, if the water could be left on lower lifts it would be done for £50 per month, besides their durability.

Postponed to a full Board.

Monson & Camp refuse to pay toll at Grand River, in consequeece of which all other vessels follow their example—this should be decided.

Referred to the Attorney General.

June 6th, 1832.

At a Meeting of the Stockholders, held this day at St. Catharines, pursuant to Act of Parliament.

PRESENT:

J. B. Yates, Esquire,
A. M'Donell, Esquire,
W. H. Merritt, Esquire, and
Captain Creighton.

The ballot being taken and closed, the undermentioned were declared duly elected, viz:

The Hon. John Henry Dunn,
Alexander Yates McDonell, Esquire,
Thomas Butler, Esquire,
Captain Ogden Creighton,
George Keefer, Esquire.

The Directors present then proceeded to the choice of President and Vice President, when the Hon. John Henry Dunn was chosen *President*, and Alexander Yates McDonell Esq., *Vice President.*

June 2nd, 1832.

At a Meeting of the Board of Directors, held at this place,

PRESENT:

Alexander Y. McDonell, Esq. *Vice President.*
Thomas Butler, Esquire,
Captain Creighton,
John Warren, Esquire, and
Robert Randal, Esquire.

The minutes were read and confirmed.

Mr. Phelps' application was further deferred.

Nathan Pawlings' application to remove the Lock at Port Dalhousie was rejected.

James Sloan's letter of the 28th ultimo was read.

Mr. Merritt is requested to answer the same.

The alteration of tolls was considered, and A. Bronson's letter read.

Resolved, That the toll on merchandize up be reduced to one dollar per ton on merchandise, and 3 cents per barrel on salt. (Amended 2nd Sept. 1835.)

The Board having ordered an advance of the 5th of April of £1037 10, and also £317 18 3 on the 31st May—*Resolved*, That the same be estimated with the addition of £200, making a total of £1554 18 3, and that the Vice President draw on the United States Bank for the amount.

Marr having offered to sell his Farm through which the Canal passes for £450—£250 to be paid on execution of the Deed, and £200 in one year thereafter.

Resolved, That the same be complied with.

Resolved, That from henceforth the Board of Directors hold their meetings on the first Wednesday in each month at ten o'clock A. M.

Whereas it is requisite for the convenience of the Company that the Solicitor should reside near the place of ordinary meetings of the Board, therefore

Resolved, That Alexander Y. McDonell, Esquire, be appointed Solicitor for the Company.

Resolved, That upon the application of Mr. Phelps the mortgage on his property held by the Company be given up to him.

The line of the canal having been covered with water in consequence of the mill dam of Calvin Cook, of Humberstone, the following letters were addressed to him on the subject:

St. Catharines, 13th Oct., 1832.

MR. COOK,

Mr. Rob says that you ask $300 per year rent for your mills—rather than have any further trouble I will recommend the Board to accept of it, and if they do not, I will pay you $5 per diem for the time they remain idle.

(Signed) W. H. MERRITT.

November 25th, 1832.

SIR,

I am directed by Mr. Merritt to give you notice that you can raise your dam as soon as you please, as he is of opinion that the keeping it down will be of no further service.

ALFRED BARRETT,
Engineer.

It appears that Mr. Merritt called on Mr. Cook with Mr. Barrett after this for the purpose of raising the water, with a view of making use of it for the Company's benefit, in case the raising should injure the work—Mr. Cook refused to give up the mills, and has since refused to heighten the dam, although materially injuring the work, and now doing damage at the rate of five dollars per day—when it was—

Resolved, That Mr. Merritt's agreement of the 13th Oct., to pay Mr. Cook £75 per annum, or $300, for the rent of his mill be confirmed, and that Mr. Merritt be requested to get possession of said mill and arrange with Mr. Cook for the rent and income of the same according to his agreement.

Mr. Cook having agreed to take at the rate of $300 per annum for the above,

Resolved, That Mr. Cook be paid from 15th October to 6th December, 1831, the sum of $42.

Resolved, That from thenceforth no estimate be made on the Gravelly Bay route until that work is completed, and that a committee be appointed to ascertain in the mean time the amounts necessary to be advanced to the contractors, to examine into the state and progress of the work from time to time, and to receive and accept proposals with the view of completing the work by the 1st of August—the committee to consist of the following gentlemen:

Alex. Y. McDonell, Esq., *Vice-President.*
Robert Randal, Esquire, and
Captain Creigton.

June 12th, 1832.

The Committee appointed by the Board, viz: Alexander Y. McDonell, Esq., and Captain Creighton, met at Gravelly Bay on Monday the 11th, examined the line of the canal as far as Ramie's bridge, accompanied by the Agent and various contractors, who were requested to examine the work and give in their proposals to complete it by the 1st of August.

The first object was the lock at Gravelly Bay, the foundation of which was not yet laid out, and but few hands employed; much difficulty appearing to exist in obtaining proposals, it was agreed between the Committee and Mr. Little, by an instrument in writing, that Marshall Lewis, the superintendent, shall have the whole management in building the said lock, both as to furnishing surplus materials, payment of men, and every direction respecting it; that the estimate on said lock be paid into the hands of Mr. Slate, the Clerk in Mr. Little's store—subject to the order of said M. Lewis, on this particular work only, until the lock is finished, when the surplus estimate, if any, shall be paid to Mr. Little, the Contractor.

The next work which appears most backward, and as such requires a greater number of men in a given time, is the rock excavation under contract to Lewis, Little & Co.

The only proposal which could be obtained for this work was from John Pascol, 4s. 4½d. per yard, and to have the water kept off from the present face this side of horse pump three chains this way.

Mr. Little having offered to give up the half of the rock excavation, and pay Mr. Pascol 4s. 4½d., and find him the use of a horse and pump, the Committee recommend paying him 3½d. per yard more out of the funds of the Company in order to complet the work by the time specified, viz:—1st Aug., next.

The third object was Section 14, abandoned by Hixson & Calbreath.

John Donaldson proposed to finish the work by 1st September, at 13 cents per yard, and the one fourth to be paid him which was retained from the former contractor.

John Boyle, 1 station at 14 cents, to be finished by the 1st of August.

Jacob Upper, half the section at 14 cents, to be finished by the 1st of August.

S. Hannah, —— station at 12 cents, and the water pumped.

John Donaldson was again called in and requested to propose for finishing by the 1st of August, he accordingly offered to complete the section at 15 cents.

The Committee finally agreed with him at 14 cents, and he to have the use of the horse pump now erected by Calbreath.

THURSDAY, *August* 2, 1832.

At a meeting of the Board of Directors, held this day.

PRESENT:

Alex. Y. McDonell, Esq, *Vice President*,
George Keefer, and
Robert Randal, } Esquires.

The minutes of the former meeting were read and confirmed.

Resolved, That the alterations and arrangements made by the Committee at Gravelly Bay be approved of.

Whereas it appears by the devastation made by the cholera at the Rock job the work is now abandoned, and unless the disease shortly disappears the work cannot be finished this year in time for the fall navigation; and whereas great difficulty and risque attends the present prosecution of the work on the said job as arranged by the Committee.

Resolved, That Messrs. Garrison and Little's proposal to relinquish that part of the work be accepted inasmuch as that it be notified that proposals will be received at the Canal Office on the first day of Sept. next, for the rock excavation at or near Gravelly Bay—the material now on the work to be taken at a valuation, a schedule of which will be furnished by Messrs. Garrison and Little; but that Messrs. Garrison & Little continue in possession of the work until it is so relet, and no responsibility to be incurred by the Company respecting it. The Board will, however, allow Messrs. Garrison & Little one dollar a yard for all taken out since the last estimate by Mr. Keefer.

Absalom Shade Esq. having applied to the Board on the 10th May for damages or remission of toll on

passing his property through the Welland Canal, which was rejected but not communicated to him, and whereas A. Shade Esq. wrote officially to the Board on the 4th June last presenting a detailed account of his damages, which was not laid before the Board in consequence of there not being a regular meeting at the time appointed from the indisposition of the President—and as it appears a writ has been issued for the recovery of the toll due without his being regularly notified from this Board.

Resolved, That the Solicitor be requested to inform Mr. Shade that in consequence of a reply not having been communicated to him before an action was commenced, the Board will defray all costs incurred on their part, and withdraw the suit in case Mr. Shade will pay the amount of tolls.

It appears from the return of the Forwarding Agent for 1831 that the sum of £582 0s. 0½d. accounts in favor of the Welland Canal Company remain unpaid.

Resolved, That the said accounts be put in the hands of the Solicitor with directions to write each a circular requesting payment within three months, and if not paid to institute an action against those from whom, in the opinion of the Forwarding Agent the demand can be recovered.

On a petition from sundry ship owners it was—

Resolved, That the Collectors of Port Robinson and Port Dalhousie be requested to furnish the captains and owners of vessels with a certificate specifying such vessels as were in the canal on the failure of the water in July, and the amount of toll each vessel so claimed paid, for which amount each vessel is to receive credit on her future tolls.

David Trotter's application was submitted and deferred for Mr. Barrett's report thereon.

Captain Sloan's application was submitted.

Resolved, That Mr. Sloan be informed that owing to there not being a full Board his application could not be decided upon at this time.

Upon Messrs. J. Strowbridge & Co's application—

Resolved, That they be informed that the tolls will be remitted on the vessel's present cargo, as per the resolution of this day—but no expenses to be paid.

Resolved, That Mr. Clark be authorised to accept orders from the contractors for amount of work done which is to be finished by the Engineer, and to give a due bill in behalf of the company for the same payable the ensuing estimate.

The failure of the water in the canal at this time materially calls the attention of the Board to that subject.

It is therefore—

Ordered, That a committee be appointed to examine the dam and to obtain written information from practical men, and those persons situated at or near the feeder from thence down to the ship canal, the Deep Cut, and all other parts of the canal as may require examination and alteration.

Resolved, That Messrs. Alexander McDonell, George Keefer, Robert Randall, William H. Merritt, John Warren, and Marshall Lewis, do compose said committee, and that they examine and report on the same, and if they deem it expedient, make an agreement with Mr. McDonell to finish the repairs on the dam and excavation of the feeder forthwith.

The Board then adjourned to meet at Port Robinson on the 8th August 1832.

At a meeting of the Board of Directors of the Welland Canal Company held at the Canal Office on the 1st. September called by the Agent for the purpose of determining on the proposals for re-letting the Rock job.

PRESENT:

Alexander McDonell, Esq. *Vice President.*

Robert Randal, and Thomas Butler, } Esquires.

Whereas, It appears by the minutes of August the 2nd. a re-letting of the Rock job taken by Messrs. Garrison and Lewis was determined on, and notices were circulated for receiving proposals this day the following were opened in presence of the Board, viz:

Price and Kennedy on their job...	11s. 6d.	Y.C'y
John Donaldson for the whole..	$1 31	
John A. Benjamin, Section 3.....	9s. 6d.	Y.C'y
Robert White.....	9s. 6d.	"
William Hobbs.....	10s.	"
John Pascol.....	10s.	"
Jared Darrow—whole.....	$1 44	

After examining the proposals, and taking the subject into consideration, the Board unanimously agree that the best proposal is from John Donaldson —it being the least of any responsible man offering.

It appears by the minutes in August that from the devastation committed by the Cholera the Board were then of opinion the work could not be finished the present season, but from what has been since done, and from the report of the Agent and Engineer of the quantity of rock remaining the Board think it judicious to renew their exertions and make arrangements to finish the Canal to admit the passage of one vessel at least, if possible the present season.

The Contracts are to be drawn so as to have the whole completed by the first of November next.

Mr. Upper appeared before the Board and stated that in consequence of the unforeseen quantity of water arising on his job,

This will add £50 to the expense of the work in case it should appear satisfactory to the Board that it has cost that sum in addition to the original Contract.

The Board met at Niagara on Wednesday the 5th Septr., in consequence of some of the Members being on the Grand Jury for the Assizes.

PRESENT:

Alexander McDonell, Esq. *Vice President.*

George Keefer,
Thomas Butler, and
Ogden Creighton, Esquires.

Minutes of former Board were read and approved of.

The Report of the Committee appointed to examine the line of the Canal was read and approved of.

Resolved,

1st, That on the close of the navigation, which is supposed will be on or about the 1st of December, the Agent be authorised to employ some competent person to open the flume at Hall Davis' and secure it. The embankment at Thomas Merritt's mill and have a substantial flume erected therein, and to take such other steps as may be deemed advisable to lower and widen the slips at the Deep Cut—and to keep the water running through the same at least one month—and that public notice be given of their intention.

2nd. That notice be immediately given for receiving proposals for deepening the feeder from the Ship Canal to Broad Creek on or before the 1st of January next—that the Engineer make out an estimate of the same and leave a diagram and specification in the Canal Office, the work to be commenced by the 1st of February, and finished by the 1st of April next.

3rd. The Agent is requested to give notice, advertise for, and procure the delivery of stone at the Locks to make the necessary repairs next winter.

4th. The subject of the Lock and Harbor at Gravelly Bay having been taken into consideration, *Resolved,* That as there is no prospect of Messrs. Garrison and Little finishing the Lock and Harbour, in time, and as the Engineer reports that there is not a sufficient force on to complete it.

Ordered, That the same be relet on the 14th inst., and that Captain Creighton, Messrs. Keefer, Randal and Butler, meet at the Canal Office to receive proposals for the same, notices to be put up immediately.

5th. The Harbour at Grand River.—The Board feel the importance of extending the piers and deepening the channel, but will suspend any further operation until after the meeting of the Legislature.

6th. Captain McMillan, Schooner Mary Anne, toll on cargo upwards when detained in Canal amounted to £4 2 6 or about—the toll downwards being much more, the Captain requires further compensation—which was rejected.

7th. *Ordered,* That a draft be made out for the balance now in the United States Bank.

8th. *Ordered,* That all accounts be adjusted and settled during the present month.

9th. *Ordered,* That the tolls now in the hand of Mr. Clark, amounting to £——— be appropriated for the use of the work on the written order of the Engineer and Agent during the present month—when most required.

10th. *Ordered,* That a statement of all balances due the Contractors be submitted to the Board on the——inst., and a statement from the Engineer, shewing amounts that will be due after the new route is completed—when a Board will assemble at the Canal Office to investigate the same.

Captain Dockstader's letter was submitted, and was referred to the Agent.

Ordered, That a contract be made out, and the work proceeded in immediately.

18*th November*, 1832.

At a meeting of the Board held at the Parliament Buildings, in the town of York—

PRESENT:

The Hon. John H. Dunn, *President,*
Robert Randal,
George Keefer, and
Thomas Butler, Esquires.

The first subject which occupied the attention of the Board was obtaining money to discharge the laborers now about completing the work, and that an application be made to the Bank of U. C, for a loan.

The Board solicits the particular attention of the President to this subject, and if the Bank Directors are not satisfied with the security of the Company and repayment out of the tolls—that the President be authorised to propose them further collateral security on landed estate, as the necessities of the Company at this time are urgent.

2nd. *Resolved,* That the petition to the Legislature of Lower Canada for a loan be adopted.

3rd. That the draft of a letter No. 3, to sundry communications—a copy of which is to be filed in the office—be adopted.

4th. That the application from Mr. Decow being considered, the following reply be approved of:

YORK, 14*th November*, 1832.

SIR,

Your communication respecting claims for damages has been laid before the Board of Directors, and I am requested by them to say that the award already made shall be paid out of the first money coming in.

That with respect to obtaining land in compensation for further damages the Board can give no assurance at the present time; they are extremely desirous to satisfy you, and will do every thing in their power to accomplish that object; an application has already been made at the Crown Office, from whence reference has been made to the Government Office, and an answer may be expected during the present week on the subject.

By order,
(Signed,) WM. H. MERRITT,
Secretary W. C. C.

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5. Mr. Little's application for an increased price on their contract was submitted and ordered to lay over.

6. Wm. Orderley's application was deferred.

7. Letter from the Cashier of U. S. Bank, Buffalo, deferred.

8. Account of contingencies No. 9, was approved and ordered to be paid.

9. Letter from Mr. Shade was read—claiming damages for detenion—which was deferred till next Board.

10 The consideration of Grand River claims to lay over.

11. The widow McAndrus' claim was considered, shewing a balance of £19 1 3, due to her on account of Garrison & Little—which the President is authorised to sign.

The Board then adjourned to meet on the morrow.

19*th November*, 1832.

The Board met in the Committee Room of the Legislative Council.

PRESENT:

The Hon. John H. Dunn, *President*,
George Keefer,
Robert Randal, and
Thomas Butler, Esquires.

Resolved, That Mr. Merritt will assume his situation as Agent, and Mr. Clark be appointed Secretary.

Resolved, That the mortgage and bond from the Hydraulic Company to the Welland Canal Company be assigned over to the Hon. John H. Dunn as a collateral security for £3000, the sum for which he has become responsible to the Bank of Upper Canada.

The application from Mr. Little for an increased price on their contract being considered, was approved of by Messrs. Butler and Randal, and ordered accordingly, which application is to be entered on the minutes.

Whereas at the meeting of the 2nd August last the Board authorised Mr. Clark to appropriate the sum of £573 2 4½ out of the toll funds in advances to contractors, and for other purposes, and whereas at the meeting of the 5th September Mr. Clark was authorised to appropriate the amount of tolls then in his hands, also in advance to contractors.

Ordered, That the amount paid Alexander McDonell, Esq., in June last on account of Mr. Yates, per centage for transporting loan..... £300 0 0

The amount of loss on the steamer Peacock, per Smith & Macey's account approved of last February,... 447 17 10

The amount of expense constructing the St. Catharines feeder, ... 246 0 8

Amounting altogether to the sum of £993 18 6 be transferred to the debit of toll.

Ordered, That the balance sheet and account of the appropriation of the loan of £50,000 now submitted by the secretary be approved of, and that the same be entered on the minutes.

Ordered, That the statement of toll on vessels, &c., with property passed the canal to the 31st October, be approved of.

The Board then adjourned.

No. 3.

REPORT

OF

SELECT COMMITTEE OF THE HOUSE OF ASSEMBLY

ON THE

WELLAND CANAL PETITION.

The Committee to whom was referred the Petition of the President and Directors of the Welland Canal Company, praying for certain alterations in the laws relative to said Company; and also praying for such other aid, by way of loan, as, on examination, may be deemed sufficient to enable the said Company to complete the Canal to that point on Lake Erie most advantageously situated for the formation of a harbour—*respectfully Report:*—

That your Committee have examined and considered the various matters referred to them, and they feel great satisfaction in being enabled to state that this work, so important to the commercial interests of the Province, has been so far completed that a communication for vessels from Lake Ontario to Lake Erie is now opened by way of the Niagara River. Although this fund cannot be so advantageous to the Province, or to the Company, as the one contemplated by an extension of the Canal to a port on Lake Erie, yet it has already drawn so much attention and proved the utility of the connexion between the lakes so fully, that the necessity of a thorough completion of the work is, in the opinion of your Committee, a matter no longer to be doubted. In order, however, to effect this object, a considerable expenditure remains to be incurred; and it appears, from the Report of the Board of Directors, that the available funds of the Company have been absorbed by the engagements of the last season. Your Committee, fully aware that it is decidedly opposed to the interest of the Province to confine the Company to the one channel by the way of Niagara River, now completed, have had under their serious and deliberate consideration the manner in which the Company should be aided

The estimates of the expenditure for the different routes differ materially, and there are various opinions in relation to the advantages of each. The amount of expenditure, within any reasonable bounds, is not so important as that the most advantageous harbour should be selected. The interest of the Province and the stockholders being the same, no better prospect of a judicious decision can be obtained, than by leaving it to the determination of the Directors themselves; the larger sum, therefore, that may be required, for this purpose, should be provided.

There are, however, considerations of an important nature which have induced your Committee to propose an entire variation in the manner of making the loan to the Company.

From the present debt due from the Company to the Province, there is no other security than such as shall remain after the debt to the British Government shall have been paid. The Company have already discovered that the prior lien upon the Canal and its tolls has prevented their negociating a loan on their own responsibility, without providing for

the payment of that debt. It has been presented for the consideration of the Committee, that the Province, instead of affording specific aid for the particular object merely by borrowing on its own credit, and loaning the precise sum required, should adopt a measure that would prevent a pledge of its income, and enable the Company to restore to the Province the security which it ought to hold, either for the money loaned, or responsibility assumed. In doing this, the Committee have also considered what sums might possibly be required by the Company, in order to produce an advantageous and profitable use of the Canal. As the Province will, in the event of the recommendation being adopted, be the sole creditor of the Company, and hold a lien upon the Canal, which shall prevent the Company ever looking to any other quarter, it is necessary that, in the arrangement, a sum should be provided for within the bounds of perfect safety to the Province, and sufficient for all the exigencies of the Company.

Your Committee, therefore, propose that authority shall be given for the issue of the debentures of the Province for £200,000, in sums not less than £200 each, to the President and Directors of the Welland Canal Company, bearing an interest at the of rate 5 per cent. per annum, payable half yearly in London, the principal to be paid in 25 years in the same place; and that the said debentures be not issued to the said Company until security shall have been duly given for the punctual payment of the interest and principal of these debentures, as your Committee have particularly provided for in the bill which they have prepared. The Committee have been governed, in naming this sum, more by the conviction that the security which will be given is abundantly sufficient for the Province, than by any opinion that this whole amount will necessarily be used by the Company.

The result of the examination they have given this branch of the subject, enables them to state the following as as the probable situation of the Company, subsequent to this arrangement.

The debt to the Imperial government,	£55,555	10	0
The debt to the Province, ...	50,000	0	0
Expenses of extending the Canal to Lake Erie, including harbor and contingent expenses, say	50,000	0	0
Provision to be made for one year's interest on the £200,000 in advance, ...	10,000	0	0
Interest due upon Imperial and Provincial loans.			

The amount of balance thus left will not be more than may be required to enable the Company to give the requisite aid to forwarding, by being prepared to pass vessels and boats with the necessary despatch.

This statement is exhibited to shew what may be required from the Company, and that the sum of £200,000 currency, is not too large to put under their command. Should the Imperial government do what may reasonably be expected, the Company will then be enabled to retire the amount they shall allow under their former contract to pay a part of the debt incurred by this engagement.

The Committee have had presented to them correspondence and other information that give assurance of immediate business on the Canal, at least sufficient to pay the interest on the whole debt. They feel therefore confident that the province, by making this arrangement, will be in a better situation than it now is, and the operations of the Company be unfettered by pecuniary difficulties which must embarrass their proceedings, subject them to exactions, otherwise to be avoided, and render a desirable result doubtful which may thus be made certain. The Committee have bestowed upon this branch of the application much attention, and have treated it more fully, owing to its great importance. The other objects embraced in the petition of the Directors they have also examined, and are of opinthat the prayer of the petition in relation to them, ought to be granted.

The difficulty which has occured, in some few instances, with regard to compensation to owners of property, ought to be provided for so far as Legislative enactment will conduce to that object. A clause has therefore been added with a view to remedy the inconvenience complained of.

The Company will also, if the aid recommended by the Committee shall be afforded by the Legislature, be released from pecuniary embarrassment, and enabled promptly to pay to individuals the amount of damages assessed, which heretofore they could not do for want of means.

The Committee have prepared a bill to meet these various objects; which they beg leave to present with this report.

All of which is respectfully submitted,

H. J. BOULTON,
Chairman.

Committee Room,
Commons' House of Assembly,
11*th Feb.* 1831.

No. 4.

A PROJECTOR.

A concise view of the inland navigation of the Canadian Provinces; the improvements already effected, and the inferences to be drawn from their full and practical accomplishment and practical value. 1832.

The present moment is an important crisis to these provinces; and to Upper Canada it is more especially so. The prosperity and progress, the rank and relative importance, of this great division of North America, depend upon the intelligence and decision with which the capabilities of Upper Canada are appreciated and pursued. Not only our immediate interests and our relief from an immense commercial burthen, will be insured by a due regard to these; but our future claims as a well informed community, honorably ambitious of the wealth and influence exclusively held forth to us, are pending upon our exertions. Our interests are now brought so clearly within the most accurate estimate, that it only requires a general, and I should add obligatory, attention, in order to rouse provincial enterprise and to inspire the people of Upper Canada with the highest confidence in their own energies and resources.

To avail ourselves of the advantages placed within our power, the province is now called by every

motive which should influence an intelligent and enterprising country, capable of estimating the indirect burthens which weigh so heavily on it, and the means of removing them, when so bountifully pressed upon our acceptance by the natural position of the province. It was said by a German traveller in America some years ago, that the settlers often paid more commercial taxes *through* their storekeepers than the subjects of the most despotic governments did to their rulers.

Many persons, from contracted and erroneous conceptions, may perhaps imagine that we have already attained the whole, or a sufficient measure of the objects of improved inland navigation.

I am far from wishing to underrate those highly beneficial works which have been accomplished; they are valuable and important in themselves and honorable to a young and rising country like ours; and those effected by the British government are eminent proofs of its liberality and favor. But I estimate them from more extended considerations.

The human mind is ever in advance of the means of realising its views, of attaining the consequences of its discoveries, or accomplishing its projects, however conclusive the force and accuracy of its arguments. Hence it is that the first proposers and promoters of great and beneficial undertakings are almost universally compelled by prudence from offering to the world their original and conclusive persuasions. These they are obliged to relinquish partially, lest proposing and promising too much, their projects might be rejected as chimerical and wild. They are thus led to compromise their own decisions and judgment to promulgate what they believe will be accredited, and to ask what they trust will not be refused. They bring their speculations to the level of the existing ideas, and the probable enterprise of the country.

As this seems something of a final law in our nature, it is needless to linger on its provisions, either to reason or regret.—So far it fulfils, and we cannot doubt but in the most beneficial manner, the end in view. It has effected the commencement of good. The works already finished or in progress have engaged us in the grand emulative strife of internal improvement; they have made us feel our strength; they have brought victory and unlimited success within our grasp. When the level of public opinion is raised, we may then speak in the language of fact and demonstration, without being suspected of visionary or perhaps designing extravagancies.

Nor will the candid and liberal mind construe these aggrandizing and extending schemes of public benefit and interest, into a changeable and erroneous incompetence, when the causes of this seeming inconsistency are rendered so obvious and undeniable, and brought home to the understanding of every man. Let the public at large then, and those whose habits of inquiry have led them to anticipate general opinion, alike forget this no doubt wise law of our progressive faculty.—Let us rejoice we have passed through the first stage of improvement, and that we are prepared to take our highest degrees in the school of experience.

From the imperfect and irregular information which has been from time to time communicated to the public of Upper Canada, a very incorrect and insufficient estimate is generally entertained on the extent of those indirect burthens which we sustain from not possessing an uniform, adequate, speedy, and consequently cheap internal communication with the seaboard; by which the rate of transport would be diminished on our exported produce and imported wants. These facts, as I shall make appear, admit of such incontestible proofs, and their amount is so formidable, that these alone, were the incitements to advance our prosperity laid aside, should be enough to unite the province in zealous co-operation towards its attainment. Every man who knows the loss of time, the injury, accidents and expense he suffers by the length and badness of his market-town road may by comparison infer the accumulated increase of expense which now oppresses our commerce and produce. The enlargement and completion of the line of communication, in progress or projected on a scale suitable to the wants, prospects, and resources of the provinces, and placed under an uniform system of well calculated regulations, becomes the universal and paramount interest of every settler in the province.

As it is my purpose to offer merely a brief and plain view of the improvements now more or less effected; their present practical value and influence, together with the extended and unclouded prospect of what remains to be done; of what is, indeed, forced upon our perception, and commands our attention, I shall not allow myself to be led aside by attractive and distant speculations, however naturally they may intrude on the minds of those who have given any commensurate application to these subjects in their more remote consequences. Most of those who have addressed the public have perhaps erred in this. It cannot indeed excite surprise; yet I think the realities within our immediate reach and reckoning, if we will bestow on them due consideration, are quite adequate to employ both our practical and speculative faculties. Every one knows the immense, and in common parlance, unlimited regions, of which our lakes are the centre and market way. The scale of everything here is indeed great—great in extent and magnificent in its proportions. The progress of these territories has been no less remarkable, and the prospective rate of their advance, is in accordance with the grandeur of their lineaments.

We possess in Canada, an undoubted and pre-eminent superiority in controlling and directing the productive industry and growing wealth of the western territories. This we may claim without any invidious encroachment on the joint pretensions of our neighbors. The variety of the projects, and the combination of efforts, which they are now making, while it does infinite credit to their untiring enterprise, plainly proves that the *master key* of the Lake regions is not theirs, that while they are seeking by schemes at an exhorbitant expense, to untie the Gordian knot, the triumph is reserved for us; and that we have only to fulfil the conditions of the prediction by one decisive and *shear cut*. So long ago as the time of Washington, our superior natural claims had been scrutinized; and in one of the letters of that distinguished individual, (written in 1788) I remark, that in speaking of the projects which even then began to engage speculative men on internal navigation, he uses the expression, "*if we mean to aim at*

the trade of the Lakes;" and adds, "*I think we should open all the rivers, and lay them open and free to all.*"

Such indeed are the extraordinary prospects of the country in question in extent and value, that the Americans, with the knowledge of the odds against them, have been, and now are, vigorously acting and calculating on the share they can carry off in the partition of these advantages. Perhaps too they reckon something on our comparative supineness. In the first we wish them good luck; but in the last we most assuredly will only look the more vigilantly to our baskets and our own stores, to our obligations to our posterity and to our country. To this we are led with increased confidence and alacrity by the assurance that we hold the vantage ground; that in opposition to their desultory and difficult projects we have to oppose the unalterable superiority inherently belonging to the Provinces by the possession of the St. Lawrence. We may with confidence make claim not only to our full lot and share in this amicable contention, but to that surplusage which will become the reward of natural superiority, united with active measures. Our assurances are crowned by our forming a favored portion of the empire, advancing under the auspices of England, and aided by her wealth and connexion; by holding a free and direct intercourse with the unequalled productions of her skill and industry, and her yearly augmenting demand for all our produce. With this plenitude of circumstances in our favor, all that remains is to open the channel in which they are to flow. We require but our own decision to commence this noble scene of mutual benefits, and to draw into our inland seas and the deep and fertile bosom of teeming and luxuriant regions,

> ——"All the tide of wealth,
> That swells upon the high shore of the world."

The division of the Canadas into two Provinces has created a false and unnatural idea that there may exist in these disunited portions some separate or opposing interests. Politics do not form the channel in which my speculations run; but I may remark that power and the feelings it may create have some unfavourable effects on the best minds. Legislative bodies begin to enjoy it as the miser does his gold—as a reality and blessing in itself, not for its uses to human good. I shall but summarily observe on this point that this division was made at a time of extreme political embarrassment and agitation when the benefits and blessings of peace appeared suspended for an indeterminate period. Government legislated for the feelings of a loyal and respectable section of the empire, and I am not disposed to any inquisitive scrutiny into those favorable circumstances which were or may be supposed attendant on the arrangement. By this division however, and the line of demarkation fixed upon, Upper Canada was cut off from the co-equal claim she possessed to remain a maritime Province. The Legislative and provisional agreement adopted to remedy this political error has been partially and temporarily satisfactory: but the period has more than arrived when Upper Canada is entitled to reclaim her birth right—*a free and unshackled egress and ingress with the Atlantic.* By what final Act of the Provincial or Imperial Governments the injurious oversight is to be radically removed I shall not stay to suppose, or whether a commercial union, as regards this common interest, may be formed. But the time is past when doubt and uncertainty can be longer indulged. We know that it is from the Western territories of Canada that riches are to descend, like the rains of Upper Egypt, to cover the interjacent Province with vigor, beauty, and opulence. Lower Canada must know this, nor can we suspect her of being too proud to receive the benefits of neighbourhood, and the overflowing bounties of a favored land.—Still less will we imagine that she would litigiously seek to dwell on the letter of the law, or "clothed with a little brief authority" to retain a vexatious power "which not enriches her," and which, could she by any miracle accomplish it, would "make us poor indeed." It is the desire and guiding principle of that great country of which we form no unrespected portion, to *maritimize*, if I may use the expression, her whole empire. Commerce and improvement are the basis of her dominion, and must ever continue the principles of its preservation.

As the views and estimates which I am about to lay before the people will, I believe, contain evidence that the system and scale of improvements to which they refer, will in their progress be relieving the burthens of our commerce, and at the same time almost from the negotiation of the requisite Loan, commence to meet the interest, and with accelerating advance enter on the redeeming the principal, I shall but passingly allude to the somewhat strange *scrupulosity* in regard to what must be a temporary and self liquidating *debt!* As if we, in accomplishing a great work, fundamental and indispensable to our prosperity, were not in fact leaving to posterity a magnificient *legacy*, for the neglecting of which we should most certainly obtain a very *liberal* share of their animadversions and disrespect.

I have thus attempted, in a general manner, to recall the chief interests and impediments with which our prospects are likely to interfere; the efforts of the United States; our connexion with the lower Province; and our endeavours, as liable to a distrust in our own internal ways and means, and some partial and inconsiderable opposition. The accomplishment of what remains to be done must appear to every candid and intelligent mind *the true and all engrossing interest of Upper Canada.* It has nothing of a local or dubious character, which talents and perseverance may sometimes render specious and attractive. It concerns one great, obvious and practicable common interest—*a system of inland communication affecting the whole Provinces, on which all future combined or individual enterprises must depend, and without which all other exertions, works, or speculations are but the scattered and lifeless members of a great system, deprived of their vital principle,—without power and without use.*

[NOTE.—Although no claim is made to originality in the leading principle on which these views are based—viz', *a Ship navigation from the Ocean to the Lakes*, it may be proper to recall that same systematic regard towards this object which was suggested by R. Nichol Esq. some years ago, to the Legislature; and it was on this suggestion that the dimensions of the Welland Canal were determined on, by reference to the usual depth of the Harbors and Rivers on and above Lake Erie.]

SECTION 1.

The present state of our inland improved navigation is as follows:

1. In—— the British Government commenced the improvement of the St. Lawrence by erecting Locks at the Cascades and Cedars in Lower Canada.—They were constructed to admit Batteaux and Durham Boats from 12 to 13 feet wide.

2. In —— the *Lachine Canal* (from Montreal to Lachine,) was completed by the Legislature of Lower Canada. The Locks were of increased dimensions, being 100 feet by 20, with 5 feet depth of water.

3. In 1825 the *Welland Canal*, connecting Lakes Erie and Ontario was commenced by a private Company on a still increasing scale; the Locks 100 feet by 22 with 8 feet depth of water.

4. In——the *Rideau Canal* connecting Lake Ontario from Kingston with the tide waters of the St. Lawrence, was begun by the British Government; the scale of its Lockage presents a still farther enlargement; the dimensions being 120 feet by 33, with 5 feet depth of water.*

Thus, it will be seen, we have three canals (leaving aside the *Ridcau* for the present) of irregular construction and dimensions, and under *three* separate systems of regulation. The St. Lawrence, under the control of the British Government; the second, under the control of the Legislature of Lower Canada; and the third, under the management of a private Company, in a canal line of 28 miles. These three are now in operation, and are, in addition to their local uses, intended to compete with the Erie Canal, connecting Lake Erie with the Ocean by Hudson River; which canal is wholly under the control of the Legislature of the State of New York.

By a comparative statement of the tariff of tolls on these rival works, we may draw our conclusions on the present system of our inland navigation.

On *Lachine Canal* (9 miles.)	On *Erie Canal* (9 miles.)
Flour, ℔ brl. 3d. c'y. (5 cts.)	Flour, ℔ brl., 1½ cents—1d. (nearly.)
Boat, 12s. 6d.	Boat, 27 cents.

Making the amount three times greater on the *Lachine* than for an equal distance on the *Erie Canal*.

On Canal at *Cascades* (1 mile.)	On *Erie Canal* (1 mile.)
Merchandize, ℔ ton, $1.	Merchandize, ℔ ton, 3 cents.
Durham Boat (over 9 tons) $14	
Barge, $10.	
On *Welland Canal* (28 miles.)	On *Erie Canal* (22 miles.)
Flour, ℔ barrel, 7 cents.	Flour, ℔ barrel, 4½ cents.
Merchandize, ℔ ton, 5s. c'y.	Merchandize, ℔ ton, 34 cents.

This tabular view at once makes manifest our inability to compete successfully with our neighbour's enterprise so long as the scale and irregular dimensions of our improvements, and the divided system of control to which our inland navigation is subjected, exists. And it equally and manifestly suggests the remedy, viz.:—a systematic line of communication, placed under the sole direction of the Legislature of Upper Canada, and under regulations framed to advance the internal interests of the people. This alone can render us successful competitors with the United States.

Fully to comprehend the means of accomplishing the above, and the magnitude of its objects and assured effects, requires some degree of inquiry and attention, but certainly very trivial, when we reflect on the singular importance of the subject, and the interest of every individual, more or less, must or should have in its completion and results.

SECTION 2.

A glance at the Map of North America will shew that the St. Lawrence and the Mississippi are the two grand natural outlets for the products and commerce of the immense territories surrounding the lakes; both possess relative advantages, which it is unnecessary at present fully to discuss.

From various causes connected with the natural circumstances of the United States, and the commercial preponderance of those States bordering on the Atlantic, a variety of communications are in contemplation or in progress, with a view to direct a portion of the products of the valley of the Ohio to the eastern sea-board, viz.:—

The Pennsylvania Canal and Railroad from Pittsburgh to Philadelphia, in Delaware Bay; the Chesapeake and Ohio Canal, intended to connect the Ohio with the Bay of Chesapeake; and the Baltimore and Ohio Railroad.

These stupendous works, constructed at an expense of many millions of pounds, reflect every credit on the enterprise and patriotism of the States, Companies, and individuals, who have undertaken them. But when we reflect on the prodigious obstacles they have to surmount—the crossing the Alleghany Mountains, (extending from the St. Lawrence to the Confines of Georgia,) which are over 2000 feet above the tide waters of the ocean—together with the trans-shipment and shifting required in this arduous and forced system of transit, we can feel no apprehension of rivalry from that quarter.

The Mississippi, however, has undoubtedly some great natural advantages, particularly in the winter season. It has also unfavourable circumstsnces in rapidity of its current, the dangers of its obstructions, and the annual overflowing of its banks, rendering the immediate adjacent country of little avail in facilitating and contributing to the benefits of navigation. Still, by the extraordinary and numerous efforts of the Americans, and the natural advantages alluded to, it becomes indispensable on our part to employ our whole energies, and to place our improvements on a scale insuring our superiority and success.

SECTION 3.

The St. Lawrence is no less distinguished by its magnitude than the natural advantages which peculiarly adapt it for a safe and permanent navigation. While it presents us a port in the summer season, in a direct line with European commerce, our immense lakes, acting as so many reservoirs, prevent those

* This communication is now open from Kingston to Bytown on the Ottawa River, a distance of 130 miles; and according to report will be finished to Lachine the ensuing season.

sudden risings of water to which most great rivers are liable.

From the ocean, vessels can at present ascend the St. Lawrence to Montreal.

From Montreal to Prescott, a distance of 120 or 130 miles, the river is obstructed by rapids.

From Prescott any depth of water may be found to the Welland Canal, a distance of 270 miles.

The Welland Canal, with the dimensions stated, and affording 8 feet of water, a distance of 28 miles.

By the Welland Canal we reach the level of Lakes Erie, St. Clair, Huron, and Michigan, and communicate with their extended shores and tributary streams.

It will be observed that the only obstruction of moment from Montreal to Lake Erie, in a distance of 418 miles, is in the St. Lawrence; and from the best information to be obtained it is found that the distance necessary to construct a canal does not exceed 37½ miles.

With these facts before us, principally drawn from the surveys of Messrs. Clowes & Rykert, and of Mr. Alfred Barrett, can we without extreme surprise reflect that such extraordinary and obvious advantages should have been allowed to remain dormant; or can we be astonished that other countries should look on our supineness with still less commendatory feeling? It is true, attempts have been made during the last two years to obtain legislative aid for improving the river for the passage of boats, and no doubt a very great reduction in the expense of transit would be effected; but as this plan subjects property to trans-shipment, it is liable to very serious objections.

On the completion of the Rideau Canal it is probable likewise that barges will be constructed with sails, drawing 4 feet water, 90 feet in length, and 19 feet 6 inches beam. These may leave Quebec by steam for Montreal; thence through the Lachine Canal, towed by horses or by animal power; from its termination to Kingston by steam; proceed by steam or sails to Welland Canal; passing which, by horses to Lake Erie, they will thence reach Cleveland by sails or steam; making the entire transit without trans-shipment.

The chief objections to this mode which have been urged are—the increase of distance—the late opening in the spring—the small size of the craft to be employed, not being adapted for lake navigation, and the great amount of capital required to form and keep up such an extensive and numerous line of steam tow-boat establishments.

SECTION 4.

The most sure and exclusive method of inquiry to determine on the best system of communication, is to compare the relative rate of tolls and transportation on the different routes and canals now in use; a careful and strict consideration of which will also dispel the visionary ideas of those who imagine railways could ever compete with our lakes in transportation.

From Great Britain to Montreal, a distance of 3,200 miles, we pay from 7s. 6d. to 15s. currency per ton.

From thence to Prescott, 120 or 130 miles, from £3 15s. to £4 10s. per ton.

From Prescott through Lake Ontario, 270 miles, 12s. 6d. per ton.

These facts confirm the commonly admitted truth, the wider and deeper the water communication, the cheaper the transportation.

The transit on flour down, and merchandise up, from Cleveland to Montreal, and *vice versa*, at present are as follows:—

On the St. Lawrence.

	dist.	pr bbl.	per ton.
Cleveland (Ohio) to entrance Welland Canal,	150	7½	12 6
Through the Welland Canal,	28	9	10 0
Lake Ontario to Prescott,	270	10	12 6
St. Lawrence to Montreal,	120	2 6	3 15 0
Miles,	568	4 8½	5 10 0

When the Rideau is completed, supposing the same toll to be exacted on the Erie Canal, that is, 3 cents per ton per mile up, and 1½ cents per ton per mile down, transit 1½ cents either way, we may anticipate the following prices by the Rideau route:—

On the Rideau

	dist.	Flour	merch.
Cleveland to Welland Canal,	150	7½	12 6
To Ontario, through Welland Canal,	28	5½	6 3
Lake Ontario to Kingston,	180	7½	12 6
Rideau, Grenville, and Lachine Canals to Montreal,	260	3 11	2 18 6
Miles,	618	5 7½	4 9 9

As the Rideau will not bear the same toll, *pro rata*, as the Erie, and from the extent of the river navigation we may suppose it can be reduced 3s. 4d.; leaving 6d. per barrel on flour, and 9s. 9d. per ton on merchandise; this reduction will be:

	Flour.	Merch.
On the Rideau route,	5 7½	4 9 9
Reduction,	1 6	1 9 3
Leaving, per barrel and ton,	4 1½	3 0 6
If tolls were wholly taken off,	3 7½	2 10 9

SECTION 5.

We will now shew the results if a ship Canal were constructed from Prescott to Montreal, with a depth of at least eight feet water

DISTANCES—LAKE AND RIVER.	Miles	Canal	TOLLS.	Flour. £	s.	d.	Merchandise. £	s.	d.
From Cleveland to Welland	150		510 miles navigation at 12s. 6d.						
Welland Canal	....	28	for 270 miles up, 15d. for 400						
Lake Ontario to Prescott	270		miles down	0	1	10½	1	0	5
Prescott to Long Sault	50		68 miles Canal at 4½ cents per						
Lakes St. Francis and St Louis	40		ton up, and 3 cents per ton						
Canal through points and over land (say)	....	40	down	0	1	0¼	0	18	3½
	510	68	= 578 miles	0	2	10¾	1	18	8½

The effect of opening a ship channel, connecting large bodies of water, so that a vessel can pass from the one to the other without trans-shipment, is to lessen the price of transportation throughout.

But, on these improvements as a means of diminishing the rate of tolls, we can only form a supposititive opinion so long as these Canals as above stated are subject to the control of separate authorities, and consequently may be varied and increased according to the views or caprice of their Directors under the Imperial Government—the Legislature of Lower Canada, or the Welland Canal Company. Thus introducing uncertainty into all the etimates of commercial men, subjecting our commerce to embarrassments, and leaving it in the power of one or the other of these authorities, by raising the toll within their control, to destroy the intercourse and trade through the whole transit.

SECTION 6.

Let us now recall the great general object in view —the connecting Lake Erie with the ocean by the best and cheapest communication for the public benefit; and let us ask "*who are the most interested in this communication?*" Those who are suffering a continual and oppressive tax from the present inadequate navigation—*the people of Upper Canada.* If so it is most natural that they should first turn their attention to it; and feeling at once the immediate injury which every man sustains in his property and means, and the convincing evidence of the checks existing upon the advancing prosperity of the province, that they should come forward, resolved to rest satisfied with nothing short of the full attainment of their wishes and their rights.

Nor, as it may have already appeared, can there be any hesitation or contrariety of opinion on the best system to attain our objects; it suggests itself as naturally as the waters flowing from Lake Erie to the ocean aid and point out the only elegible and unerring route to be adopted, insuring us a thorough relief from the burthensome commercial taxation we labor under, and enabling us not merely to compete with the American undertakings, but, as far as can be predicted, to obtain a decisive and permanent superiority.

If our interests, therefore, prompt us to make our inland communications on a scale adequate to these *inseparable objects*, (as whatever accomplishes one necessarily includes the other) our only secure and sound policy also is to have it placed under the direction of the Legislature of the Province. By this provincial control of the entire communication from the ocean, the tolls would be reguluted with respect to the great objects in view.

SECTION 7.

Our burthens can be removed and our prosperity insured *only by constructing a ship canal of not less than eight to ten feet depth of water; and thus rendering Lake Erie's territories, and the shores of the upper lakes on the same level, a* SEA COAST.

The different tributary streams which disembogue themselves into this immense line of communication may be then brought into navigable purposes by private companies or individuals on the plan now in progress on the Grand River; or as in other sections of the province, by rail roads, where similar advantages from natural water courses do not present themselves; and thus in a very short period, if a proper spirit prevails, every part of the province will largely participate in secondary benefits, while they are sharing the general relief and prosperity.

SECTION 8.

It cannot be denied there are seeming difficulties in the way—local prejudices to be removed, and unanimity required throughout the province to effect this grand design.

It has been suggested that as Lower Canada has an equal interest in the undertaking, deriving almost exclusively the benefit of all the foreign commerce it will create, she should bear her share in the expenditure. True; but Lower Canada not feeling the inclination, we have no power to compel her into the measure. And it has been added that as Lower Canada possesses about 30 miles of the line of communication, it is in her power to prevent our making it. This objection must be held merely as a supposable and temporary difficulty; for if the Legislature of this province address that of the Lower Province asking permission to construct a canal from the boundary line to the tide waters, it is not reasonable to imagine it could be refused. If the Legislature of Lower Canada should act so inconsistently with her interest, and justice to us, there can be no apprehension but that by her refusal the absolute necessity of Upper Canada possessing a port by extending her boundary line, would be made manifest, and that an address to the Imperial Parliament to that effect would ensure its attainment.

SECTION 9.

It may now be asked, "*Does Upper Canada possess the means to effect so gigantic an undertaking?*" This is the only serious question for consideration, and shall be now pretty fully met.

We have the authority of Messrs. Clowes, Rykert, and Bennett, who have estimated the cost of a steam boat canal from Prescott to Cornwall to state the expense of that portion of the line at £200,000. This forms more than one half of the entire distance, and the sum given is considerably over the strict estimate.

The Welland Canal embraces a length of nearly 50 miles, with three harbors, and almost two miles of the deepest cutting in America (with one exception) and with 340 feet lockage. The entire cost, when finished, will not equal £400,000.

There is no deep cutting on the whole line of the St. Lawrence. You can gain a summit at pleasure, and choose your depth of cutting; or by continuing in the river reduce the length of cutting within *forty miles*, with 200 feet lockage. There is therefore no reason to suppose, comparing it with similar works, it will cost over £500,000.

But let us grant that it may cost £1,000,000; this province is as well able to construct it as the British Empire; and so far from creating a tax on the people, it would relieve them from a most oppressive one on the produce and imports of the province, which they are now paying.

By subjecting the question to calculation, it will stand thus: The dimensions being determined on, a loan is negotiated for the whole amount, to be redeemed in 20 years, at 4 per cent., and to be paid in as the work proceeds.

1st. year—£100,000 paid in. Interest thereon, £4,000, to be paid from the principal.

2nd. year—£200,000 paid in. Interest, £8,000, to be provided for in like manner.

At the close of this season the Long Sault, and the distance from the cote to the Ottawa, will be completed, and boats be enabled to pass through the entire route.

3d. year,	£400,000 expen. Interest.....	£16,000
	300,000 expen. 1st & 2d. yrs. do.	12,000
	£700,000	£28,000

The income this year may be safely stated as follows:—

Tolls on	50,000 tons descending, at 5s.,..	£12,500
do.	20,000 do. ascending, at 18s..	14,400
	(Rates of the Erie Canal, N. Y.)....	£26,900

This revenue will nearly meet the interest of the current year, and effect the following saving to the country:—

On	500,000 barrels of flour, at 1s.,.....	£25,000
On	20,000 tons of merchandise, at 50s.,..	50,000
		£75,000
4th yr.	£300,000 expended. Interest,....	£12,000
	700,000 do. 1st, 2d, & 3d yrs. do.	28,000
	£1,000,000 Interest,....	£40,000

The increase this year in tolls may be supposed *one-fourth* on the income of the preceding.

3rd year,.....	£26,900
Increase, 4th year,.....	6,725
	£33,625

Interet due the 4th year,.....	£40,000
Income for the 4th year,.....	33,625
Deficit,....	£ 6,375
For the 3rd year, do.	1,100
	£ 7,475

At the close of the 4th year we suppose an uninterrupted ship navigation effected from the ocean to the Sault St. Marie, at the outlet of Lake Superior, and a debt incurred of £40,000 interest.

SECTION 10.

From the manner in which the public returns in Lower Canada are made, it is impossible to get at either the quantity in tons or value in pounds, shillings and pence of our imports. Without such specific returns we cannot designate what articles would bear an additional duty and not increase the price, or the amount which such a duty would produce. One or two articles may be remarked on.

Present Freight and Transportation.		By the proposed Canal.	
Iron—Liverpool, ₱ ton,	£6 0 0	Iron, &c.	£6 0 0
Freight to Montreal.....	0 10 0	Do.	0 10 0
Freight to Lake Erie, from £5 @	6 0 0	To Lake Erie by new Canal.....	2 0 0
	£11 @ £12 10 0		£8 10 0

On the article Iron, it will here be seen, the transportation is from £5 @ £6 ₱ ton; consequently a duty of £1 or £2 ₱ ton might be imposed, and still effect a saving. In like manner, Salt would show a diminished expense of transportation and price.

Present Freight and Transportation.		On the proposed Canal.	
Salt, Liverpool, ₱ ton,	£0 12 0	Salt, &c.	£0 12 0
Shipping Charges, Commission, &c.	0 0 6	Do.	0 0 6
Freight to Montreal.....	0 10 0	Do.	0 10 0
To L. E. £5 @	6 0 0	To Lake Erie	2 0 0
	£6 @ £7 2 6		£3 2 6

One ton of salt is equal to 40 bushels, which would bring the article, on Lake Erie, to 7s. 9d. ₱ barrel, whereas the lowest price it can be afforded at now, by the Erie Canal, is 8s. 9d., without duty.

I have adduced the above, merely to show that the most necessary articles in use can be imported cheaper than from a foreign country, and will even bear a duty here, if necessary. If so, what will be the extent of the general trade created? Our exports, consisting of heavy, bulky, and cheap articles, and our imports, principally light and valuable, the return or upward freights will always be proportionably cheap, as we now witness by the return freights across the Atlantic.

In addition, we will merely observe, that the imports for the Canadas alone nearly doubled from 1820 to 1830.

SECTION 11.

On the subject of Canal Revenue, we may suggest, that it would be unnecessary and impolitic to impose one farthing of duty on any article for the repayment of interest or capital of loan; as the immediate increase of transit, created on opening the ship canal, will be amply sufficient to meet the expenditure; and that, too, principally on foreign articles, which will be drawn through this channel. While at the same time, as we have shown conclusively above, we can raise a revenue out of the articles imported, and still reduce our present burthens.

The State of New York imposed a duty of 12½ cents on each bushel of salt manufactured in the State, to meet the interest on their Canal debt; notwithstanding the reduced transportation, after the completion of the Canal, brought the article much cheaper than it was sold before; and although we contribute to that duty on every bushel we consume, we are, in common with them, gainers.

The trade already created by the opening of the Welland Canal has greatly increased; and from a quarter from whence we never obtained a single article before. From the experience and progressive results of the Erie Canal, during the following years, we may have a sure ground for the most calculable expectations; but great as they are, it is not too sanguine to say, that we are not bound to take them as the measure of ours.

The increase on the Erie Canal was as follows:—

In 1821	$	2,220
In 1822		44,486
In 1823		89,988
In 1824		319,320
In 1825		521,345
In 1826		750,759
In 1827		847,759
In 1828		897,265
In 1829		771,685
In 1830		1,056,922
In 1831		1,193,435

What the amount of the trade will be, that must be brought into existence and drawn by superior advantages, on the opening of a ship canal, is beyond our calculation. Before five years from the completion of the work, the income cannot be less than £250,000, should the Legislature think fit to continue the toll!

The primary object of the Canal, undoubtedly, is to benefit the inhabitants of this Province. Lower Canada and the Mother Country will participate. But we should be actuated by far more noble and philanthropic views of its consequences. At least 2,000,000 of people will partake of the benefits flowing from this great work; great, when brought into comparison with our youthful country, but almost insignificant when we look to its far spreading blessings—its progressive and incalculable effects, and its duration!

SECTION 12.

By the supineness and want of public spirit in the Lower Canada merchants, very little, if any, advantage has as yet been derived from the Canada Trade Act. The apprehensions entertained by a portion of the Canadian agriculturits, that the effects of this Act would be to depreciate the value of our produce, have been completely dispelled by the state of our markets. These apprehensions were in some measure occasioned by the novelty of the considerations required to see its true bearings; but still more from the erroneous ideas industriously circulated at the time the Act came into operation.

Experience proves that the markets in all seaport towns improve in price by the quantity of the article kept constantly on hand, and are not subject to those great fluctuations which we have so frequently felt in Quebec and Montreal; that is, if the market depends on *foreign consumption*. The reason is obvious. The owners of ships, and those engaged in foreign commerce, direct their vessels to that port where they know a supply can be relied on, either for purchase or freight.

If our flour and wheat were wholly consumed in Quebec, then an additional supply would of course lessen the price; but as we are wholly dependent on foreign ports for our demand, it is there where the article is consumed that we must look for competition, I shall quote the illustration of this subject by a celebrated statesman, the familiarity and clearness of which every farmer must comprehend.

"Suppose a barrel of flour raised in Ohio, and another in the London District. The former finds its way either to Liverpool or Jamaica, by way of the Erie Canal; the latter by the way of the St. Lawrence. Or suppose the Ohio barrel should accompany the other, side by side, to the same place, where they are consumed. Could it make any difference to the Canadian farmer who sold his flour in Upper Canada? We cannot lose by drawing American produce by this route to the ocean, but stand every chance to increase the price, by keeping at Quebec a constant supply, and arresting the attention of foreign commerce; besides the indirect advantages gained by every class, in the transit, commission, shipping," &c.

As many may doubt the very great increase we anticipate, on the other hand, there may be some who will predict evils to arise, from the great quantity of produce, &c. which will be drawn from the western and southern States. For instance, "that we may manufacture their wheat and send it to Great Britain as Canadian, and that this may create alarm in the agricultural interest in England, and produce some law injurious to us, directed against this evil."

To meet every possible objection, I will observe, that very little has been done in the trade as yet; that the prices in New York keep nearly up to the

Montreal market; and, farther, that all we can possibly draw from that quarter, will never be noticed in the English markets.

The competition we have to fear, is from the Baltic, and those grain countries so much nearer the great mart of England.

But it is obviously the policy of Great Britain to admit our grain free from duty, as well as to give a competent discriminating duty on all articles passing through our waters from Ohio, over the same articles imported direct from any port in the United States. By this means she would not only obtain employment for her shipping, canals, &c. in the transit, but create a demand for her manufactures. The shores of Lake Erie, on the Ohio, are destined ere long, to become a great receptacle of manufactures for the southern markets. They can be imported direct to Cleveland, *via.* Montreal, on completion of this work, far cheaper than by New York; and will be bartered for cotton and tobacco, the former of which already enjoys a discriminating duty of 5s. 6d. per cwt.

☞ The above views, founded on facts and necessary deductions, I submit to my fellow-countrymen—the people of Upper Canada; confident that it only requires their attention and consideration to awaken one and all to a full sense of the leading and all-embracing object to which they tend. That being obtained, we have only to adopt means of concentrating the wishes of the Province, and to hasten, as far as possible, the period of their fulfilment.

For this purpose there is but one way; let our Representatives pass an Act in the approaching Session, "TO RENDER OUR INLAND COMMUNICATIONS A THOROUGH AND EFFICIENT SHIP NAVIGATION FROM THE OCEAN TO THE LAKES, BY THE COMPLETION AND CONSTRUCTION OF THE WORKS REQUIRED."

The time is short, but it is sufficient. All that is required is zeal and unanimity, to ensure success; and by rendering *the frontier of Upper Canada* A SEA BOARD, we will reap, within a very limited period, all the advantages and prosperity which it must command.

A PROJECTOR.

St. Catharines, November 1832.

IN THE YEAR 1833.

An Act was passed on the 13th February of this year authorising the Province to subscribe for the Stock unsold, and £7500 was placed in the hands of Commissioners. These Commissioners were appointed for expending the same, and for the purpose of examining the Canal and reporting thereon—and to this end Judge Wright, an Engineer of eminence from the State of New York was employed by them. His Report to the Commissioners enters very fully into every subject connected with the Canal, and reference is made thereto.

In page 6 of his Report this gentleman makes the following remark:

"It appears by the last Report of the President "and Directors of the Welland Canal to the Stock-"holders, that the expenditure upon all their works "on main Canal—feeder, dam, Harbor, branch by "Welland River to Niagara River, damages for in-"jury done &c., up to March 1833, was £356,955, "and viewing the work at all these various places, "it appears to me that there must have been good "economy to accomplish so much as has been done "for the sum above stated."

Who is the best judge of the expenditure—Judge Wright, or the Directors of 1835?

The minutes of this year give a detail of the proceedings of the Directors.

Documents referred to in the foregoing Remarks.

Act of Parliament 3d Will. 4., c. 55,	Marked	No. 1.
Report of Commissioners, with Judge Wright's Report.....	"	No. 2.
Remarks on the Western trade—by an old Merchant.....	"	No. 3.
Minutes of 1833.....	"	No. 4.

This year the Government appointed the following Directors—viz.:

William Elliot,
Charles Duncombe, and } Esquires.
William Chisholm.

And the private Stockholders.

Wm. H. Merritt,
Alex. Y. McDonell,
George Keefer, } Esquires.
Thomas Butler, and
Ogden Creighton,

No. 1.

ACT OF PARLIAMENT,

3RD WILL. IV., CHAP. 55.

An Act for affording further aid towards the completion of the Welland Canal, and for other purposes therein mentioned.

[Passed *February* 13th, 1833.]

Whereas it is expedient to grant the sum of seven thousand five hundred pounds in aid of the Welland Canal Company, for the purpose of deepening the feeder from the Grand River, and keeping the Canal in repair during the current year:—Be *it therefore enacted* by the King's most excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of Great Britain, entitled "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's Reign, entitled 'An Act for making more effectual provision for the Government of the Province of Quebec, in North America,' and to make further provision for the Government of the said Province," and by the authority of the same, That it shall and may be lawful for the Governor, Lieutenant Gover-

nor, or person administering the Government of this Province, to authorize His Majesty's Receiver General of this Province to raise by Loan from any person or persons, bodies politic or corporate, who may be willing to advance the same upon the credit of the Government Bills or Debentures authorized to be issued under the authority of this Act, a sum not exceeding seven thousand five hundred pounds, at a rate of interest not exceeding five per cent, and that as soon as the said sum, or any part thereof, shall be so raised, it shall and may be lawful for the Governor, Lieutenant Governor, or person administering the Government of this Province, to issue his warrant upon the said Receiver General for the same in favor of the Commissioners hereinafter named, whose duty it shall be to superintend the expenditure thereof.

II. *And be it further enacted by the authority aforesaid,* That the said sum of seven thousand five hundred pounds shall be paid, applied and expended in and towards the deepening and enlarging the feeder from the Grand River; in repairing and in keeping the Locks and Canal in repair during the current year, and in making the Surveys and Reports hereinafter mentioned.

III. *And be it further enacted by the authority aforesaid,* That Absalom Shade, William B. Robinson and John Macaulay, Esquires, shall be Commissioners under the provisions of this Act, whose duty it shall be to superintend the expenditure of the said sum of money according to the directions of this Act; and to cause a complete survey of the said Canal and all the works connected therewith to be made by a competent Engineer, and to make a detailed Report of the state of the said Canal, of the improvements necessary to be made for completing the same, with the estimate of the probable expense of finishing the same, and to suggest any alteration which it may be thought advisable to make in any part of the route of the Canal, or in any of the works constructed thereon.

IV. *And be it further enacted by the authority aforesaid,* That immediately after the passing of this Act it shall and may be lawful for the Governor, Lieutenant Governor, or person administering the Government of this Province, to direct His Majesty's Receiver General to subscribe Stock in the Welland Canal Company to the amount of the said sum of seven thousand five hundred pounds, which Stock shall from thenceforth be held as, and deemed to be public Stock, and that the Government of this Province shall as the holders of such Stock be subject to the same conditions and have the same powers, advantages and privileges, as other Stockholders in the said Company.

V. *And be it further enacted by the authority aforesaid,* That the three Commissioners above named, together with Samuel Street, and David Thorburn, Esquires, shall be appointed to arbitrate and determine the amount of damages due by the Company to the different individuals on the line of the said Canal, under and according to the provisions of an Act passed in the first year of His present Majesty's Reign entitled, "An Act to afford further aid to the Welland Canal Company, and to repeal part of and amend the Laws now in force relating to the said Company"—and that the award of a majority of the said Arbitrators shall be final.

No. 2.

REPORT

OF

THE COMMISSIONERS

OF

THE WELLAND CANAL COMPANY.

To His Excellency Sir John Colborne, Knight, Commander of the Most Honorable Military Order of the Bath, Lieutenant Governor of the Province of Upper Canada, Major General Commanding His Majesty's Forces therein, &c. &c. &c.

The Commissioners appointed by an Act of the last Session of the Provincial Parliament, entitled, "An Act for affording further aid towards the completion of the Welland Canal, and for other purposes therein mentioned"—

RESPECTFULLY REPORT:

That they met at York on the passing of the Act in the month of February last, and found that the principal duty assigned them was to apply a sum of money, not exceeding seven thousand five hundred pounds, "in and towards deepening and "enlarging the feeder from the Grand River; in "repairing, and in keeping the Locks and Canal in "repair during the current year; and making surveys and reports of the state of the said Canal; of "the improvements necessary to be made for completing the same; and to suggest any alteration "which it might be thought advisable to make in "any part of the route of the Canal, or in any of the "works constructed thereon."

In the discharge of the duty thus prescribed, the first object of the Commissioners was to ascertain from Mr. Merritt, the Agent of the Welland Canal Company, (who was then in York) and from such other sources of information as were available, the actual state of the Canal, and the nature and extent of such repairs as were most urgently demanded, and were within the compass of their means.

Mr. Merritt having, when questioned, given it as his decided opinion, that the immediate attention of the Commissioners to the repair and improvement of the Canal was necessary, it was resolved that two of their number (viz: Mr. Shade and Mr. Robinson) should proceed without loss of time to inspect the whole line of Canal, and make such arrangements as circumstances should be found to require. They accordingly repaired to Saint Catharines, where they arrived on the twenty-second day of February, and on the following day, accompanied by Mr. Merritt and Mr. Elliott, one of the Government Directors, commenced the inspection of the Canal at Port Dalhousie, and from thence proceeded along the whole course of the Canal to Gravelly Bay and the Grand River, stopping at every point where any work was required to be done, and obtaining all the information from the Lock Keepers and others that could be collected. On their return to Saint Catharines, they entered into contracts with different persons, who were recommended to them, for re-building two of the Locks, and for deepening such parts of the Canal and Feeder as appeared to require it. They then engaged Mr. John Donaldson, a person recommended by the Welland Canal Company, to procure the ne-

cessary number of men to begin the work as early as the season would permit, and complete it with all possible expedition. They also visited the quarry, and saw that measures were taken to draw the stone required for the Locks while the sleighing lasted.

Having made these arrangements, the Commissioners thought they would, by an occasional visit during the season, discharge their duty according to the intentions of the Act; but before they left St. Catharines, a letter was received by them from the Directors of the Welland Canal Company, stating the necessity that one of their number should give his personal attendance on the Canal until it was rendered navigable, in order that every exertion might be used in making the various repairs and improvements, and in preventing delay. It was accordingly determined that Mr. Robinson should return and personally superintend the work at all points on the line of the Canal, as soon as the weather would allow it to be commenced.

In conformity to this arrangement, Mr. Robinson arrived at St. Catharines on the fifth day of March, and remained until the repairs were so far completed as to enable vessels to pass through the Canal, which occurred on the twentieth day of May. He then went home, but soon returned, and with two other short intermissions, continued his personal superintendance of the Canal until the twenty-ninth day of October. This sacrifice of time and convenience on the part of one of the Commissioners was called for by the situation of the Canal, and was sensibly felt by Mr. Robinson, by whom it was incurred. In consequence of his having assumed this charge, he made individually all the necessary contracts, and managed the disbursements. He also took particular care to visit the whole line of the Canal, (including the Feeder, which the Commissioners were required by the Statute to enlarge and deepen) once a week, and saw that nothing requisite for the welfare of the Canal was omitted on the part of the Board, or the persons acting under them. Among those persons, the Commissioners feel it proper to mention, was Mr. S. H. Farnsworth. who was engaged in the month of March to assist in superintending the repairs required at the two Locks near St. Catharines. He was strongly recommended by the Vice-President of the Company, and was besides personally known by Mr. Robinson. With his services at the Locks, and in the execution of all other duties imposed on him from the time when he was taken into their employment until his severe illness (brought on by too great exertion and exposure while repairing breaches in the Canal) in October, the Commissioners have every reason to be satisfied; and they can confidently recommend him as a most efficient person to be employed, if occasion should require, in any future work of a similar kind.

In consequence of a request made to them by the Board of Directors, the Commissioners concurred in a Circular Letter being addressed to the private Stockholders, inquiring into their inclination to dispose of their interest in the Canal, and the terms to which they would agree; the answers to which letter were received by the Secretary of the Company.

It was a subject of great regret that the Canal could not be opened at an earlier period in the spring than the time already stated, particularly, as several vessels from Oswego, bound to Cleveland, were detained from eight to twelve days at Port Dalhousie; but when the amount of work exhibited in the annexed statement, as having been performed, is considered, the Commissioners feel assured that the delay will be satisfactorily accounted for, and they would observe that it was the general impression of those who witnessed the state of the Canal in March, that it could not be got ready for use before June or July. Indeed reports to this effect were widely circulated.

When the operations of the Commissioners were commenced, and the new route from the Junction to Gravelly Bay, which had not yet been navigated) was examined, much more was found necessary to be done than was anticipated, and in fact the greater part of the sum expended has been applied in *finishing* the Canal rather than in repairing it. The whole section from Port Robinson to Gravelly Bay, (12 miles in length) required deepening, much of it being actually a foot above the proper bottom level. A large expenditure at Gravelly Bay was also incurred in dredging out the sand from the space between the Piers and in the Lock, where there was not found a greater depth of water than three feet, for a distance exceeding one hundred yards, in consequence of an accumulation of sand and gravel, formed by the wash from the lake during the winter.

Having at length succeeded in rendering the Canal navigable, the next object of the Commissioners, in pursuance of the Statute, was to get the whole line, and all the works connected with it, examined by a competent Engineer. It was important that a person should be selected for this service whose talents and judgment had been well ascertained in a country similarly circumstanced, in many respects, and on whose experience full reliance might be placed. Accordingly, after careful and extensive enquiry, the Commissioners determined to employ Benjamin Wright, Esquire, of New York, a gentleman of great experience, who was principal Engineer on the Erie, Delaware, and Chesapeake Canals, and who is admitted to be at the head of his profession in his own country. In the months of July and August, when his attendance could be most conveniently given, Mr. Wright, accompanied by all the Commissioners, carefully inspected every part of the Canal from Lake Ontario to Lake Erie, and passing through the Feeder, ascended the Grand River about twenty-five miles, in order to form a correct estimate of the supply of water which it may be expected permanently to afford. His attention was directed by the Commissioners to the following points, as stated in a memorandum communicated at that time, and to which he was requested to advert when he should frame his report and estimates.

The Commissioners required him—first, to examine the Welland Canal, and the works connected therewith, and report upon the present state of the same as fully as possible.

Secondly, To state what work and expense would be necessary to render the present route of the Canal permanent and complete.

Thirdly, To state what alterations he would recommend in the present route of the Canal, taking into view the proposed cut to the Niagara River, and furnishing an estimate of the expense attending the same.

The Memorandum continued in these words:—

"These are the general heads of enquiry, stated conformably to the third section of the Act, of which a copy is supplied Mr. Wright."

"The following queries have occurred to the Commissioners during their own inspection, and in the course of their superintendance of the Canal, and are submitted for Mr. Wright's consideration."

"*First.* His opinion of the state of the works at Port Dalhousie, and of its advantages or disadvantages as a harbor; its capability of being made a permanent and commodious steam boat harbor; and the necessary expenses attending such alterations and improvements as he might, with that view, recommend.

"*Secondly.* His opinion as to the propriety and expense of moving the lock at Port Dalhousie further from the pier, and altering the position of the waste wier, in such manner that the surplus water may be discharged through the harbor.

"*Thirdly.* The expense of re-building each lock permanently of stone, (there being forty locks on the line of the Canal,) and also, the best method of reconstructing them, which, under all the circumstances, he would recommend.

"*Fourth.* His opinion of the practicability of rebuilding the locks in the Winter; and the difference in expense between building in summer and in winter.

"*Fifth.* As to the difference between the expense of removing the materials of an old lock and building a new lock on the foundation of the old one, and the expense of constructing a new lock of the same kind in another situation.

"*Sixth.* His opinion of the harbour of Port Dalhousie compared with the harbour by Niagara river.

"*Seventh.* His opinion of the proposed side cut to Niagara; and also of the difference of expense between making that part of the present route which lies between the foot of the mountain and Port Dalhousie a permanent work, and opening the cut to Niagara for ship navigation, on the same scale as the Welland Canal.

"*Eighth.* How can the Deep Cut be so improved as to prevent slides? Can it be done by giving the banks a greater slope, or by any other means? Can the bottom be depeened, as it has been suggested, by carrying a rush of water through it; or what other method would you suggest, as likely to be more effectual? Will not considerable expense be incurred in keeping this part of the Canal of sufficient depth, if measures are not taken to prevent the wash of the spoil banks from running into it? This part of the subject submitted to Mr. Wright's consideration requires careful examination, and the Commissioners are anxious for full details.

"*Ninth.* His opinion of Gravelly Bay, or Port Colborne, as a harbour; and also of the expense necessary to make that harbour a permanent and commodious steam boat harbour, equal to the harbour at the mouth of the Ouse, or Grand River; and the difference of expense between the two harbours.

"*Tenth.* Whether it is necessary to deepen and enlarge the feeder, in order to ensure a full supply of water, independent of the advantage of making it fit for schooner navigation.

"*Eleventh.* As to the best method of making wooden culverts, when there is a pressure upwards of six or seven feet of water.

"*Twelfth.* If the Marshville and Allanburg, (McDonell's) Mills are not placed in situations injurious to the Canal.

"*Thirteenth.* As to the propriety of obliging owners of mills to have an embankment and stop gate between the Canal and their flumes.

"*Fourteenth.* If it would not be advisable to make a Cut from Broad Creek to the mounth of the Grand River, with the lock placed near the latter place, thereby enabling vessels to enter the Canal by that harbour, also his opinion of that harbour.

"*Fifteenth.* Is it not necessary to have more stop gates on the Canal—say one as near the lock at Gravelly Bay as circumstances will permit, and another near the aqueduct."

"These queries will range themselves under the three general heads originally stated, when Mr. Wright prepares his report.

"Be pleased also to state your opinion as to the length of the time the present locks will last, and when you think that preparations should be commenced for replacing them with new ones."

Having completed his inspection of the Canal, Mr. Wright returned to New York, from whence he transmitted the Board a full and explicit report, which is herewith submitted, and which will doubtless be found as satisfactory to the Legislature, as in the opinion of the Commissioners, it is honorable to the established reputation of its author, for whom they entertain very high respect.

The Commissioners, with all who feel anxious for the success of the Welland Canal, exceedingly regret the frequent delays and obstructions that have occurred in its navigation during the summer, occasioned by accidents which could not be foreseen or prevented. All that the Commissioners could do, they can confidently say, was not omitted to be done. Men were, in all such emergencies, kept at work, both night and day, without intermission, in order that not a single hour's needless delay might be complained of by the masters of such vessels as then happened to be in the Canal.

The first delay, of any moment, that took place was caused by the failure of a set of lock gates, through the manifest carelessness of the keeper, who omitted closing them properly before the admission of the water.

The next was occasioned by a most extensive breach at a stone culvert, on Marlatt's level, one end of whioh gave way without any apparent cause, the level of the water being only at its usual height; about forty feet of the stone arch was carried away by the force of the water, many yards from the Canal, and the breach made in the bank was very wide and deep: to repair this damage occupied about twelve days, though every possible exertion was made on the occasion.

The last serious accident was the breaking down, at the same moment, of the upper and lower gates of one of the large locks near Saint Catharines. They had just received a thorough repair, and only failed in consequence of improper force and means em-

ployed in opening them. The lock keeper was not at his post, and the crew of the vessel about to pass, put the horses used for towing to the balance beam of one set of gates, which circumstance, aided by the neglect of proper precaution, caused all the injury. The delinquent lock keeper was, of course, instantly dismissed by the Agent of the Canal Company, for his want of attention to his duty. A delay of two weeks was the result of this mismanagement, and occurring, as it did, just after a great number of schooners had passed the other two points of detention, it was certainly most unfortunate; for some of the vessels were detained in the Canal nearly six weeks.

It may here be proper to remark, that the Commissioners had no control over the lock keepers, they, nevertheless, felt it their duty to acquaint the Directors with the want of attention exhibited by those persons at various times, and recommended some alterations in the system with respect to them, in order to guard against a repetition of similar accidents to locks placed under their care. In consequence of these representations it was arranged, that Mr. Vanderburgh a very efficient person, should be appointed to take charge of all the locks, and be made responsible for their being well attended.

These were all the casualities, occasioning a decided obstacle to the use of the Canal, but there were, besides these, several vexatious instances of interruption in the navigation durihg the summer, caused by the mills which derive from it their supplies of water —and the Commissioners are induced to urge that the owners of those mills should be required to construct an embankment and stop-gate between them and the Canal, so that in the event of any breach at the flumes, the water might at once be stopped, without incurring the necessity of drawing off, as at present, a whole level, in order to effect repairs.

The mills at Marshville are considered by the Commissioners, from their own observation, and the information of many persons of good judgment, to be highly injurious to the navigation of the Canal, placed as they are about mid-way on the long level of the Feeder, between the dam at Dunnville and Port Robinson, and without any reservoir. Besides this, the great quantity of water which they use is entirely lost to the Company, as it escapes into the Chippawa or Welland River. The Commissioners would therefore advise that these mills should be removed, or at least that some effectual method should be provided, (if any other than absolute removal can be devised) to prevent a recurrence of the annoyance they have occasioned. It is,indeed, in their opinion, just cause for regret, that the hydraulic privileges created by the Canal should ever have been alienated by the Company, as it has established a separate interest, which already has produced, and will continue to produce great trouble and inconvenience; and they cannot avoid remarking, on the manifest inexpediency of suffering a great public work, upon which so much money has been expended, to be in the slightest degree injured or incommoded,for the sake of any minor advantages.

Having thus stated the proceedings of the Commissioners, and added such observations as occurred to them in their examination of the Canal, they have yet to advert to one section of the act under which they have been appointed, assigning a duty not yet performed, viz :—the fifth section, which directs them to sit as Arbitrators, "in conjunction with two others formerly appointed, for settling certain claims for damages due, as it is said, by the Welland Canal Company to different individuals on the line of the Canal." A day in the month of September had been fixed on for a meeting of the members of this Board of Arbitrators, but a variety of circumstances concurred to prevent the attendance of some of the members at that time, and it has not since been practicable to proceed with the business of the arbitration.

The importance of the Welland Canal to the best interests of Canada, must be too well understood at the present time, to demand from the Commissiouers any formal demonstration. They will merely refer to the Report of Mr. Wright, exhibiting the view taken of the subject by that intelligent and liberal minded gentleman. The great question now before the Provincial Parliament concerns the course which should be pursued in order to render the Welland Canal a desirable work, and suitable to the immense trade of which it must soon, to a certainty, become the favorite channel.

Mr. Wright explains in a lucid manner, the amount of the expense that must ere long be inevitably incurred in making it really useful; and his statements are strengtheued by the experience afforded this year of the injurious effects to trade caused by the breaches in the existing imperfect works, and the uncertainty thereby created among men of business, in forming their arrangements for the transportation of produce and merchandize. The cost of such solid and substantial repairs, alterations and improvements, as Mr. Wright has suggested, are assumed to be quite beyond the resources of a private Company; which fact, in addition to other considerations, leads to the conclusion, that the Canal ought to become entirely public property. The great navigable communications of the country, like its highways, should belong only to the Province, and be entirely and solely subject to the control of the Legislature. Under this impression, the Commissioners would respectfully suggest, that the interest of the private Stockholders should be purchased by the Province, and that the Canal should thus be rendered in name, as it always has been in fact, and must be in effect, a *national concern.* Whatever course may be adopted, it is clear that the just claims of the private Stockholders who have so materially, by their money and exertions, contributed to the completion of this stupendous work, should be liberally regarded. It is perhaps proper on the part of the Commissioners, here to suggest, that the Welland Canal Company owe a large floating debt to many individuals in the country, for contracts performed by them—the non-payment of which has caused great distress; and they submit for consideration the propriety of making immediate provision, for further payment of the debts of the Company, in which the credit of the Povince, as well as Canal Company, may perhaps be thought to be in some measure involved. The Commissioners feel the less hesitation in pressing the claim of these individuals on the notice of the public, after the opinion so strongly expressed by Mr. Wright, that the work exhibits no proof of want of economy in the expenditure of the Company. If any difficulty should be felt or experienced in the settlement of these points, the Commissioners would then respectfully suggest, that as much money should

be granted as would effect the necessary and indispensable objects stated in the Engineer's report.

Unless the Commissioners are greatly mistaken in their views, the Welland Canal cannot fail speedily to become a remunerating work, and even if it should not be found to yield a revenue as soon as they venture to expect, they yet think that the public should dismiss every consideration of what it has already cost, and look solely to the great results that must follow an expenditure on its improvement, such as is urged by Mr. Wright, by which it will be established as a certain, substantial and unfailing means of uniting the navigation of Lake Erie with that of Lake Ontario, and finally, on the completion of the projected Canals, below Prescott, with the Gulph of Saint Lawrence and the Ocean.

In the mean time, however, and while this important and interesting enquiry engages the consideration of the Legislature, the Commissioners beg leave to represent the necessity which they conceive to exist, of a grant of money for immediate purposes on the Canal.

In the supplement to his report, Mr. Wright estimates the amount absolutely required for keeping open the navigation during next season, at $33,551 $\frac{20}{100}$, or nearly £8,500 c'y. Of this sum it is highly desirable that about one-half should without loss of time, be expended in repairing some of the most defective locks, and completing the piers at Port Colborne. The remainder might be applied before the ensuing spring in the repairs and other operations described by Mr. Wright in the document already alluded to. The Canal would thus be ready to be opened as soon as the weather would admit next season, and be probably kept so without serious breaches; the importance of which should engage earnest attention, because it is only by that means that the result of a full season's use of the Canal can be duly ascertained.

A detailed account of the expenditure of the money appropriated by the Act, particularizing its application, will be submitted. The Commissioners deem it here necessary to state, that upon applying to the Receiver General for money, they were informed that the debentures for the loan authorised by the Legislature had not been taken up, and that he consequently had no funds. The difficulty which thus threatened the Commissioners in the execution of their duty, was only surmounted by Mr. Dunn's becoming personally responsible at the Bank of Upper Canada for the whole of the sum authorised by the Act, as it was required. The Commissioners having thus drawn the attention of Parliament to this circumstance, leave it to the Legislature to exonerate the Receiver General, by providing for the payment of interest on the debentures, at the rate of 6 per cent. per annum, at which rate only the money can be raised.

W. B. ROBINSON,
JOHN MACAULAY.

York, 7th December, 1833.

NOTE.—The undersigned Commissioner regrets that the absence of Mr. Shade, the first named Commissioner in the Statute, has prevented the insertion in the foregoing report of any expression of the estimation in which they both hold the services rendered by Mr. Robinson, in devoting a large portion of his time with so much judgment, assiduity and ability, in superintending the operations of the Board. In order to compensate him in some measure for those services, and for his sacrifice of personal interest and convenience, the two other Commissioners have agreed that he should be paid at the rate of five dollars per diem for the time he spent in attendance at the Canal.

JOHN MACAULAY.

ENGINEER'S REPORT TO COMMISSIONERS.

To Absalom Shade, William B. Robinson, and John Macaulay, Esquires, Commissioners appointed by an Act of the Provincial Parliament of Upper Canada, passed February 13th, 1833, to superintend the expenditure of money on the Welland Canal, and to appoint an Engineer to survey and examine the Canal, and estimate the expense of finishing the same, and to report "upon any alterations "which in his opinion may be thought advisable in "any part of the route of the Canal, or in any "works constructed thereon."

GENTLEMEN:

Having been honored in the appointment by you, under the third section of the Act above referred to, I have examined the whole line of the Welland Canal—its feeding waters from the Ouse or Grand River—the harbor at the mouth of Grand River—the harbor at Port Dalhousie—and the harbor at Port Colborne or Gravelly Bay; together with all the appendages connected with, or in any way appertaining to the construction or use of the Canal, and now I beg leave to present to you my Report.

REPORT:

The Welland Canal, as now constructed between Lake Erie and Lake Ontario, is about 28 miles long in its main trunk, and in this distance it has thirty-eight lift locks, viz:—

21	locks of about	10	feet lift each.
4	do.	9	do.
7	do.	8	do.
4	do.	7	do.
1	do.	6	do.
1	do.	5	do.

Total, 38 locks on the main line.

There are likewise two locks on the branch which descends into the Welland River—one of eight feet and one of seven feet lift. These comprise all the lift locks. Besides these, however, there are guard gates, or locks to secure the Canal from receiving more water into it from floods in Grand River than shall be safe, both as regards the feeder or Canal.

The feeder is 20$\frac{3}{4}$ miles in length, from Dunnville, on Grand River, to its junction with the main stem, about 6$\frac{3}{4}$ miles north of Port Colborne.

The original plan of the Canal was to have been 26 feet on the bottom, 58 feet on the top, and 8 feet depth of water, with slopes or angles of the banks, of 2 feet base to 1 foot perpendicular.

The locks are 110 feet by 22 feet in the chambers between the gates, with the exception of three locks below Saint Catharines, which are 130 feet long and 32 feet wide in the chambers.

In the course of this examination, I was furnished by the President of the Company, and their Engineer, with every information which I solicited and in their power to give.

It appears by the last report of the President and Directors of the Welland Canal Company to the Stockholders, that the expenditure upon all their works, on main Canal, feeder, dams, harbors, branch by Welland River to Niagara River, damages for injury done, &c. up to March, 1833, was £356,955; and viewing the work at all those various places, there appears to me that there must have been good economy to accomplish so much as has been done for the sum above stated.

Taking the whole work as it now exists, the greatest error I have seen is the plan of constructing the locks:—I do not object to wooden locks, in a case like the Welland Canal, but I think the plan of block work for the sides of the locks is very objectionable, and more particularly the plan of securing the ties by dovetails not passing through the front or face timbers; and for this reason, a little bad workmanship, or decay in the timber, makes a weak place in the work; and this with a clay puddle behind it, a substance that with the common operation of severe frost, will certainly cause these ties to lose their hold upon the front timbers, being only let in.

I have had locks built under my charge by block work of face timbers, ties and anchors, but much care was taken to have the ties run through the face timber and secured to it as strongly as possible, but without any grove and tongue in the timber, because no reliance was placed upon making these timbers water tight, but the whole inside was well planked, and made tight by the planking only. Experience has proved to me that both these plans are very objectionable, for the very good reason, that they are extremely difficult to repair when decayed, besides their expensiveness by reason of requiring so much timber.

Having said thus much in regard to the Canal and its locks, I will now enter upon a description of the present situation of the work, and also point out what I think would be improvements in its great plan.

Mr. George Keefer, Junr. the Engineer of the Company, has given me the quantities of earth and rock to be excavated, to bring the Canal to its intended original width of 26 feet bottom, and 58 feet top, water line. These quantities I shall notice hereafter.

In conversation with the President of the Company, W. H. Merritt, Esquire, he expressed the opinion (and it appears to have the sanction of the Commissioners by their re-building in conformity therewith, this season, one of the locks which had failed) that the locks ought to be 24 feet wide and 110 feet between the gates, and in the conviction that this is a size better adapted to vessels designed for the Lake trade than the present locks—I fully concur and recommend, that whenever locks are rebuilt, they should be of these dimensions.

Admitting this to be correct, (and I see no cause to doubt it,) if we enlarge the locks we ought to enlarge the size of the Canal, to conform to this increased size of locks.

I have drawn a cross section to show how much space two vessels of the largest class will occupy.

No. 1.

Scale, 10 feet to an inch.

This diagram or cross section exhibits only a view of the size of the Canal, such as appears to me requisite to correspond to locks of 24 feet width. I will now give a diagram or cross section of the Canal, according to its original plan of 26 feet bottom and 58 feet top, water line.

No. 2.

From these views of the space occupied by vessels passing each other, it is certain that if we enlarge the Locks we ought to enlarge the Canal also, to correspond thereto. I have not the exact data upon which to estimate the quantities of excavation which such enlargement will require, but from the calculation I have made I can give a tolerable approximation to these quantities; and as the additional expense of enlargement will not cost a sum that is any way alarming, it would prove good policy to excavate this extra quantity at the same time that the removal of that quantity designed to make the Canal what it was originally intended, is progressing.

From the information given me by Mr. Keefer, there is to be removed between Port Colborne and the junction of the Feeder, (distance 6¾ miles) to make the Canal 26 feet bottom and 58 feet top—45,932 cubic yards of earth, and 8020 cubic yards of rock; and I estimate that the triangles marked *a a*, in diagram No. 2, will contain about 56½ cubic yards in each side to every sixty-six feet in length of Canal—equal to 113 yards. On the supposition that the whole distance of 6¾ miles will require this angle on each side to be removed, we then have—

61,020 cubic yards in the whole.
11,000 cubic yards of this we will assume as rock.

50,020 yards remain of earth; we then have

45,932 as above,
50,020 additional width,

	cts.
95,952 cubic yards of earth at 20 cts.,	$19,186 40
8,020 ⋈ 11,000=19,020 cubic yard of rock, at $1, ...	19,020 00
	$38,206 40

Which sum would make the Canal an excellent work so far; and while the excavation now absolutely necessary is going on, it is undoubtedly best to execute the other.

Between the junction and Port Robinson the distance is 5¼ miles. Mr. Keefer estimates that in this distance there is to be removed, to make the Canal 26 feet bottom, (its original intended width)—

52,195 cubic yards of earth; and as we find a considerable part of this line of the Canal in a natural ravine, and sufficient width, I estimate only—

36,000 cubic yards to be removed to make the bottom 36 feet, and the top 60 feet water line.

88,195..Total to make this line, *a* 16 cts. $14,111 20

This excavation is necessary in many places to give greater stability and permanency to the banks where they give evidence of weakness.

The next point of moment is the *Deep Cut*, which comprises the distance from Port Robinson to Allanburgh—2 miles and 55 chains. In this distance, Mr. Keefer has estimated that 11,700 cubic yards must be removed to give 26 feet bottom. It is a matter of assumption to give the quantity in addition to the above, required to make 36 feet bottom. It is well understood that the Canal through the Deep Cut was intended to be 15 feet below its present bottom, and that much of the excavation was carried to that depth, but by reason of quick-sands, very heavy slips occurred, and the original plan was abandoned, and two lift locks at each end added, to raise 15 feet.

I have assumed that, in addition to what Mr. Keefer has given, if 12,500 cubic yards more were removed, making 24,200 cubic yards, it would give the Deep Cut the desired width and depth.—24,200 yards at 40 cts. average, is=$9,860. In removing this quantity, I should advise that experiments be made with Dirt Boats, by excavating in pits, leaving a stank around to keep out water. In such a clayey substance as the Deep Cut, a pit of 10 feet wide and 15 or 20 feet long, mignt be excavated 2, 3, or perhaps 6 feet below the surface of the water. These small pits should be carried down as low as possible, and then water let into the one that is to be abandoned;—this water counteracts slips, in proportion to its comparative weight with earth. These pits, being small, the ends operate with buttresses while digging and the water being let in after continues to preserve the counteracting force. In my opinion, one third, or perhaps one half of the excavation necessary, might be effected at less expense than any other. A test, by way of experiment, costs nothing extra; and requires only good judgment to be fairly tried.—This earth should be taken to raise the tow-path bank near Port Robinson, where it is too low and narrow. After all has been removed which can be by this method, I should advise the use of a dredging machine, worked by horse power. I have had them under my charge worked by steam and by horse power, and when the machine is well managed, earth can be removed and put into boats for 20 cents per yard—to which add from 10 to 14 cents for transporting it 1½ mile to the large natural bssin near Port Robinson, where there is a place to receive it, and Dirt Boats with trap door bottoms can discharge it at once. Large contracts are made and executed to my knowledge in the Harbor of New York for removing earth in 15 feet water, at one cent per cubic foot, or 27 cents per cubic yard. Such a machine will be wanted for the Canal and Harbours connected with it; and if none can be obtained on hire, one ought to be prepared.

The securing the spoil banks along the Deep Cut from washing in and filling the Canal, is an item requiring speedy attention, and before the excavation of the Deep Cut is completed. This can be done by first seeking out places where a cut can be made through the spoil bank from front to back. Sometimes this cut will be of considerable depth—say perhaps 10 or 15 feet; and in such a case, a trunk made of two inch plank, one foot or more square, should be placed therein, and the whole well covered in. Next, forming a Tow path along the brink of the spoil bank, with gentle undulations, so as to carry as little earth as possible. At the lowest places, the water collected in the bank finding its way into the drain formed on the back of the Tow-path, and entering these outlets, passes off behind the spoil bank. About six to twelve of these drains or trunks, (as the case may be) cut so as to cast the water from the face to the back on each side of the Canal, would be sufficient. By doing this with care and faithfulness, a good tow path would be formed, which is now much wanted.—(See plan.)

As observed above, the tow path C. to be formed so as to have ascents and descents, sloping a little to the back side, that the water may be thrown off into the discharging drains. It only requires good judgment to select the best places for these drains, and connect the drain in the back side of the tow path with them. The tow path can be made 20 or more feet above the water, as the case requires. The expense of this work, if well done, I should think would not exceed $1,200. If there should be a case where the excavation would be too great, a substitute of a temporary character might be made by a trunk of plank buried in the earth, and so laid as to carry the water into the Canal without much earth with it.

It has been suggested, that a part of the Deep Cut might be washed out by the force of the current of water through the Canal, made by cutting the bank at a ravine or embankment near Allanburgh. A cut made there would create a descent of 16 or 18 feet from the present surface of water in the Canal.

If the substance to be washed out is that soft semi-fluid, slushy matter that has been washed into the Canal from the sides, or should be quick-sand, I think the operation of such a current might sweep away great quantities of it. This is an experiment which should be well considered and digested before determined upon, and all its bearings well understood, viz:—

First. To see what disposition can be made of the water when let off in such great quantities; whether it can be disposed of by passing into the bed of some stream, and do no injury to individuals.

Second. Whether there is a good place to deposit the earthy matter which shall be removed, and that without injury to private property.

The guard gate at the bridge will enable us to control the body of water, and regulate it as shall be found most advisable. If there is no danger to be apprehended on the points mentioned, I should incline to try the experiment. There is, however, one other very important view of this scheme (i. e.)—it is well known that the slips are much more likely to take place when the Canal is empty than when filled. If the water should be drawn off, will there not be increased danger of slips?

The formation, as I have understood it, of the soil in this Deep Cut is a very stiff clay for forty feet or more in depth, and underlaid with quick sand. All the force of current we can bring to bear upon this stiff clay, in its natural bed, will not remove it; there is too much solidity and firmness to be operated upon by water, except by a much greater fall than we have at command. This tenacity of the clay is seen in the bottoms of the little gullies formed in the spoil banks. Thus the operation of the water in such a case may be the means of producing a greater evil instead of rendering a benefit, by causing the slips to become worse.

The question is asked, whether the slopes of the banks must not be greater before they will remain permanent.

It is certain that slips are among the most difficult things an Engineer has to contend with, and from the experience I have had on the Chesapeake and Delaware Canals, (where I had many of them, and one of 40,000 yards,) I found no preventive but taking away the earth, and sloping the banks so that they would remain immoveable.

In such stiff clay as the Deep Cut of the Welland Canal—Benches might be cut thus:—

I have tried the driving of piles 10 to 14 inches in diameter, and 20 to 25 feet in length—where they enter 10 to 15 feet of solid immoveable earth, they may do much good—but if I understand the formation of this Deep Cut, the bottom of the piles would be in quick sand; in this case they would be of but little use in keeping the bank from slipping. If any attempt should be made, the piles should be driven so much within the bank as to leave permanently 10 to 12 feet of earth between them and the edge of the water. On the whole I should not have much confidence in the benefit to be derived from them.

Much of the earth in forming the bank by offsets, could be removed by carts, or by temporary railways; these latter, passing on a level, to discharge the North or South ends of the Cut into some of the natural basins or low grounds. If the plan of lightening the banks was pursued in the way I have pointed out it would make a permanent work, and each bench would be a catch drain to prevent the face of the bank from washing; when the banks are once put into regular shape, great pains should be taken to get vegetation of any strong rooted kind on them, to aid in checking the washing by rains. The expense of putting the slopes in good order, I should estimate at $20,000.

The next item of great importance is the Locks. These are faulty in the plan and execution. The question presented then is, how to remedy the defects in the most economical way, considering the durability of the timber is already more than half gone. The ties are successively losing their hold upon the face timbers every winter—an effect which the severe frost, by operating on the clay puddle in the rear of these face timbers, cannot but very much accelerate. In all future plans for repairing Locks, I should advise never to place clay puddle in a position that frost can operate to force the walls out of place.

In the plans herewith presented, I have in plan No. 1, exhibited the foundation of the Locks, as I have been informed they are made. In Nos. 1 and 2 of the drawings, the mud sills or bed timbers laid across the Lock are represented in green lines, in the positions they are placed. That part represented by red lines, shews the position of the streak sills, and also that portion of the work which may be found perhaps substantial enough on one side to raise up posts and tie them back into the present crib work, although I have doubts whether much can be gained by any attempts to save any thing but the foundation. This plan is drawn on the supposition, that whenever any Lock gives way on the sides, it is to be rebuilt 22½ feet wide in the chambers. The plan No. 1, A. shews that when we renew the Locks, to make them 22½ feet wide, we must introduce new timbers between the streak sills—these are represented by black lines. In order to retain all the depth of water in the Lock, we must cut down the streak sills 4 inches, and have only 7 or 8 inch timber between the old streak sills—(NOTE.—The plan for these timbers is drawn 4 inches too thick)—when these are laid and the whole covered with two thicknesses of two inch plank, the flooring will be of the same level as it now is for the lower gate. As to the upper gate, I should advise to raise the whole gate about one foot higher than the lower gate, and to place the mitre sill so as to leave a space of one foot between the bottom of the gate and the floor. In plan No. 2, the part called *breast*, above the recesses of the upper gates, is to be raised up to within one foot of the water line of the lower level, and by this means the head of the gates and Lock can be better secured.—The greatest possible care must be taken to have the sheet pile plank 3 inches think, grooved and tongued, and well put down around the head of the Lock, by digging at least 6 feet below the bottom of the Lock and puddling, and also a second row in like manner under the upper gates. These two rows of sheet or plank piling, together with a row placed under the lower gates to prevent the water from getting underneath, unless it is already done in the old foundation, which is most probable, are ample security and nothing further will be required. The size I have adopted for posts, where the erection is upon the old foundation, is 18 by 12 inches, and placed as is represented on the plan; I have done this because the floor sills or foundation timbers are 5 feet from centre to centre, and I wish to reduce the space between the posts to strengthen the planking as much as possible.

The hollow posts for the heel of the gate, I would connect with the four other posts marked 7-8-9-9—(which should be jointed) by strong iron bolts passing through them, and secured by a screw and nut to keep them firmly together. These should be framed into good sills. The three posts at the head of the recess should also be strongly bolted together, and their foot entered into bottom timbers. All the posts should have dove-tail tenons let into the bottom or mud sills, and securely keyed in by wedges. As an additional security, I would, in the angle marked 16, place a triangular or arras piece, (i. e.) half of a timber 14 inches square, sawed diagonally through—this piece bolted through the post and into the floor by long ragged bolt spikes, 1½ feet or more long.

The dry wall behind the Lock, I recommend to be built of flat stone from the mountain, which are the only stone I saw near the line of Canal.

These stones can be procured and laid up, I suppose, for $1 50 cts. per cubic yard, and perhaps something less.

For the sides of the Lock, I should use 3 inch white pine plank, well jointed and put up, and if any difficulty was found in leaks, I should caulk and pay over the seams every spring, just as the weather indicated an immediate opening of the Canal.

The dry wall should be laid on a line with the back side of the posts, and should be built so firmly as to rest on its own foundation and support itself,—also a bank of earth behind it. The posts should sustain themselves, except when the Lock was filled they might find support in two ties that run into the wall and are anchored there, and also in the wall itself: thus, though supporting themselves alone, they would find aid in resisting lateral pressure.

This kind of lock can be built in winter as well as summer.—The great care in this case is to have the sheet pile planking well done and in all the work faithfully executed.

If this Canal were now to be undertaken, I should certainly recommend cut stone locks of the best kind; but should it be attempted at this stage, it would probably destroy the use of the Canal for two or three seasons, as cut stone locks can only be built in the season when there is no frost, or between 1st May and 1st November.

If the question is asked how long the present locks can be kept up fit for use? I should say that they will fail one by one continually from this time forward, and that in all probability there will be none of them fit for use in five years more; a commencement ought therefore to be made to rebuild them as soon as possible, and continue rebuilding a number each year. There are many places where a lock entirely new can be built by the side of or near the present locks; in such case, this might be building anew in summer, and while the old lock was in use, and such lock could be built with cut stone if desired: which in a work of so great and increasing importance, I cannot but recommend.

I will now give the items of expense of a lock, if rebuilt entirely, with the exception of such parts of the old foundation as may answer.

Removing old work,.....		$ 200 00
2,000 cubic yards dry wall, *a* $1 50 cts..		3,000 00
	FEET.	
100 posts, 12 x 18, 22 feet long,...	3,300	
100 ties, 12 x 12, 12 do.....	1,200	
100 do. do. 9 do.....	900	
800 feet anchor timbes, 10 x 10...	650	
400 do. plates, 12 x 12, ...	400	
32 ps. floor timber, 8 x 12, *a* 36 ft.	768	
Timber for various uses, say, ...	1,000	
Cubic feet, ...8,248 *a* 5 cts.		412 40
3,500 feet 2 inch plank, *a* $16 per M.....		56 00
8,500 do. 3 do. *a* $24.....		214 00
Carpenter work, ...		800 00
Add gates, mitre sills, &c.		1,500 00
		6,182 40
10 per cent. for contingencies, ...		618 24
		$6,800 64

See Plan No. 1 & 2.

It is believed that this sum would build anew the sides of a lock 22½ feet by 110 in chambers, and put in new gates complete. These locks, when thus rebuilt, would last with no more than ordinary or small repairs, about 8 or 10 years, and whenever the upper part of the post decayed down to near the water line on the lower level, (which is as low as they will decay,) they may be renewed in toto, or they might be spliced by taking off the decayed part and putting on a sound piece instead and replanking the new part, which would restore their usefulness for years, excepting however the gates, which must be replaced once in 10 years, if constructed in the common way. I should advise, in making new gates, that the timber be cut in February and seasoned under cover; that great care be taken to make the joints well and put them together with tar, oil and paint, and well coated over every year. I believe this course will make gates endure nearly twice the length of time they will without this precaution. It will be seen that repairing such a lock, with new posts in part and some new planking, will cost but a trifle. The greatest item of expense in repairs is the new gates, which is however, common to all, and will require to be done whether the locks are of wood or of cut stone. I cannot close this branch of the subject without repeating the caution to have the sheet pile planking most thoroughly done about the head of lock and upper gates, to prevent any chance of water finding its way under or around in rear of the walls and undermining the foundation.

The present gates are very faulty in the bars, not being near enough to each other, and also in the size and form of the timber of which the bars are made; 14 by 18 inches is a suitable size for the heel post; the toe post may be 12 inches thick; and the bars, allowing for planking, should be 14 inches at the heel post; 16 inches in the middle, and 12 at the toe post—varying in the vertical dimension according to the depth below the surface or the superincumbent pressure: I have drawn a plan which will be readily understood, such as I would recommend them to be built, remarking that the tenons and mortices should be made in the best possible manner to secure strength without relying too much upon iron.

The three locks below Saint Catharines which are 130 by 32 in the chamber, were originally intended for steam-boats, it is not probable they can ever be used for that purpose; when renewed, they ought to be reduced to the size contemplated for the other locks. In the reduction, they afford a facility for rebuilding which does not appertain to the others. The face timber and such part of the old work as shall be necessary to make room for the dry wall can be removed. The size and extent of the floor timbers will afford every needful advantage for placing upright posts and securing them well. The present gates of these wide locks are very weak, as well as too unwieldy to be opened by a balance beam—I apprehend that they will give too much trouble, so much so, that I can almost advise to make these locks the same width as the others whenever the gates require to be renewed.

I have in Plans No. 2 and No. 4, given the ground plan and elevation of a lock, in accordance with the plan I recommend whenever the locks are to be rebuilt. The cost of such a lock on an entire new site

would be thus, for ten feet lift:—

Say 4,700 cubic yards excavation in lock pit, @ 15 cts.,		$ 705 00
Say 2,500 cubic yards dry wall, of mountain, stone @ $1 50 cts.,		3,750 00
	QUANTITY	
32 cross sleepers, 12 in. by 12, and 50 feet in length,	1,600	
42 cross sleepers, 12 by 12, 56 feet in length,	2,100	
Backing streak sills,	350	
116 posts, 12 by 12 in. 22 feet in length,	2,532	
4 posts 18 by 12 in. 22 ft. in length,	132	
8 attached posts 18 by 16 in. 22 feet in length,	350	
4 hollow posts 24 by 18 in. 22 feet in length,	264	
Coping timber, 14 by 12 in.,	390	
84 wall ties, 8 by 14 in. 12 ft. len.	1,008	
80 do. " " 9 "	756	
20 do. " " 13 "	260	
20 do. " " 10 "	200	
Anchors 8 by 12,	1,200	
Contingent Timber,	1,000	
	12,162	
12,162 ft. timber, at 5cts. pr. hundred,		608 10
Iron bolts, spikes, &c.,		250 00
4,800 ft. 4 inch plank, hemlock, at $20		96 00
4,800 " 2 " good quality pine, at $16,		76 00
8,000 " 2½ " do. at $20,		160 00
1,000 " 3 " good sheet pile plank,		20 00
Gates, mitre sills. and iron work,		1,600 00
Workmanship,		1,000 00
		$8,285 10
Contingencies; sheet piling, puddling, &c.; banki g in lock,		500 00
Add 10 per cent.,		878 51
		$9,663 61

(See plans 3 and 4.)

This sum would, I believe, build a good lock, and one easily kept in order 20 years, or until timber becomes very expensive; and it has the advantage over cut stone locks, in the fact that all repairs can be made in the season whilst there is no navigation on the Canal—which is the strong argument for building this kind of lock on this Canal at present.

Here follows a calculation for cut stone locks of the same size:

4700 yds. excavation of lock pit, @ 15cts,		$ 705 00
	FEET.	
42 Floor Timbers, 12 by 12, 56 ft. long,	2,100	
32 Floor Timbers, " " 50 "	1,600	
Extra,	1,000	
	4,700	
4,700 feet timber, at $5,		235 00
7,900 " 4 inch plank, (hemlock) $20,		158 00
4,800 " 2 " " (pine) $16,		77 00
1,000 " 3 " " " $24,		24 00
Spikes, bolts, &c.,		100 00
Laying floor and sheet piling,		300 00
2,300 cubic yards of cut stone masonry, @ $6,		13,800 00
Gates, mitre sills, &c., complete,		1,600 00
Puddling, and banking lock,		500 00
		$17,499 00
10 per cent for contingencies,		1,749 90
		$19,248 90

This sum is sufficient to build good stone locks,—although I am not well informed as to the situation of stone of first quality for cutting. I have seen some near Lake Erie, and presume they are to be found within ten miles. In my estimate I have considered that one barrel of water lime, or five bushels, should be used to each cubic yard of masonry.

Having given the above items, as far as my knowledge of localities and circumstances will enable me to do so, I leave the correction to be made as advantages may be available, to cause a reduction in the cost.

I come now to the examination of the Feeder, commencing at Dunnville on Grand River—(four miles and three quarters from the mouth of the River)—being twenty miles and seventy-five chains, or nearly twenty-one miles in length. A dam to raise the water seven feet is thrown across the river at Dunnville, which, by raising the whole water of the river, occasions it to set back about twenty miles, overflowing the banks of the river in many parts of this distance.

This feeder has a fall in the distance, of two feet—the descent is by regular off-sets of six inches each, in four different places,—though it appears that a part near Dunnville is only four feet; it has, however, generally five feet depth of water. I am informed that at stated seasons of drought it yields to the Canal but a scanty supply of water. In a Canal of this magnitude and importance, where vessels of 140 tons are to pass, I have before observed, that an inch of water is very material, and to ensure the greatest usefulness to the navigation, a certain supply must be relied on.

The Dam at Grand River requires to be made more perfect and safe by gravelling to prevent leaks, and securing the Western or South Western side. It is a most important inquiry, how we can obtain a greater supply of water for the main Canal?

Two plans have been proposed—one to raise the Dam at Dunnville one foot higher—the other to deepen and widen the feeder.—The original plan of the feeder was twenty feet on the bottom; forty feet top; and five feet water. From the information derived from Mr. Keefer, the Engineer, it appears that 51,485 cubic yards are yet to be removed, to give it the original width and depth, between the junction and the bend near Broad Creek, being 16 miles and 30 chains, and from thence to Dunnville, 4 miles and 45 chains, it is still more obstructed, by being both shallow and narrow in many places.

Considering the low situation of the ground at Dunnville; the great extent of land flooded above the Dam, and the low situation of the country below Dunnville along the feeder; and that the latter, by its overflowing, destroys much of the country for

a great part of the distance of seven or eight miles below Dunnville on the upper side of the feeder, I am decidedly of opinion that the feeder ought to be made 46 feet wide on the water line; 28 feet bottom and 6 feet deep, with slopes 1½ to 1, as the least capacity that will ensure a constant and uniform supply at all times.

If the feeder was finished according to the original plan, it would give 150 feet in a cross section, and if made according to the plan I now suggest, a cross section will be 222 feet.

If we take into consideration the reduced proportion of friction of the sides, and the increased velocity by reason of depth, the feeder when made 28 feet bottom, 46 feet top, and 6 feet water, will deliver water as much greater in quantity, than the original plan of 20: 40: and 5, as in the proportion of 7 to 4. The unfinished state of the feeder, and the water grass, operating greatly to check the velocity of the current, are causes which now impede the supply from passing down to the Canal. By deeping and widening the feeder we shall gain several important considerations:—

First. We shall obtain earth to form a berm bank, sufficient to prevent the water from overflowing the country on the side opposite the tow path.

Second. We shall ensure the safety of the dam at Dunnville, which is now as high as it ever ought to be for its own security, or for the welfare of the inhabitants adjacent to the River. If the height of the Dam could be somewhat reduced, it would be a great point gained. According to my calculations, if the feeder is made of the size I now propose, you can obtain a most abundant supply of water at the most severe drought, and the Dam may at the same time be reduced six inches.

The proper data are not within my reach upon which to give an exact calculation as to the quantities of excavation which will be required to make the whole feeder of the dimensions I recommend: but I can approximate to accuracy sufficient for our purposes. Mr. Keefer has given me the quantity which will be required to make the feeder its original intended size, from its junction with the main Canal to Broad Creek, 16 miles and 30 chains, viz.

51,475 cubic yards of excavation.

I have assumed, from the best calculation I can make, that it will require, in addion to the above, to make the feeder 46: 28: and 6: about—

350,000 cubic yards of excavation.

401,475 cubic yards at 12 cents,.....$48,177 00

This excavation should be commenced at Dunnville and extended down, or what would be better in working it, commence at the bend near Broad Creek, in order to give greater facilities in draining the work while excavating. Instead of making the descent in the bottom by off-setts of six inches at a time, the bottom should be carried with a pretty regular descent, or at least it should be excavated deep enough to admit a full cross section of 222 feet.

By excavating the feeder the full depth, the growth of the water grass will be partially checked, whicy now occasions so much obstruction to the free passage of water.

It is impolitic in order to obtain a free admission of water into the feeder, to have the shoal part of it (and that most contracted) at its head; this part, if there is any difference, should be rather larger than the remainder, in order to receive a body of water into it freely; and care should be taken that the guard gates or guard lock should likewise not obstruct its free passage. To effect this, it may be necessary to have gates by the side of the lock, to be used when the water is low. I observed that, at Dunnville, the mouth or entrance of the feeder was entirely filled with saw logs; every thing of this kind should be prevented.

It has been stated by Mr. Keefer, that there is an appearance of quick-sand on some part of the feeder above Marshville. Should this prove very bad, it may be difficult to excavate the six feet depth, and in that case a greater width must be given to pass the 222 feet of water.

I have reflected upon the question, whether this feeder should not be made an 8 feet canal at once? There are some strong reasons for it; and many also against now entering upon the execution of such a project. Upon due reflection, to the latter I give the preponderance. I believe the excavation above proposed will afford earth sufficient to make a substantial and permanent bank on the upper or berm side, and at the same time prevent the present inundation of the adjacent country. If this should not be the result, the excavation should be carried to a greater depth, which aid the project of the enlargement of the entire feeder at a future period.

I think if the work here suggested was executed, the present, or even the reduced height of the dam, would be amply sufficient for feeding the Canal, and probably for the supply of all the present hydraulic establishments nearly the whole year.

Doubts have arisen in the minds of some respecting a sufficiency of water in the Grand River to feed the Canal. In order to be satisfied on that point, I examined the River 25 miles above Dunnville, where it is rapid and the quantity of water seen and determined to advantage. The River not being in its lowest state, however, I was obliged to obtain information from intelligent men who had known the River from 10 to 25 years. The result of my own observation, and of information from others, decided the question in my own mind, that Grand River will always furnish three times the quantity of water which can ever be wanted for the Canal.

The harbour at the mouth of Grand River was examined at the time of visiting the River. I found a pier or mole constructed by the Welland Canal Company, which appeared to stand pretty well. I observed a little repair necessary. To make a good harbour, and one that shall remain permanent, the present pier ought to be extended 150 to 200 feet further, and another should be constructed on the eastern side of the River, of 200 feet, to prevent easterly or southerly winds from forming a bar. These works can be built for 2,500 or 3,000 dollars, and when done, this will be one of the best harbours on Lake Erie; easy of entrance, and retaining 11 or 12 feet of water in its shoalest part. This being the naval depot of the Government on Lake Erie, it is on that account highly deserving of their patronage,

The Canal, agreeable to the original plan, was to have entered Grand River at Broad Creek (see Map) The harbour at this place, Port Maitland, might be made of great importance to the Canal by pursuing the following course, (i. e.) to enlarge the present feeder to 8 feet depth and 58 feet breadth at surface, and connect it by a short cut to Broad Creek, entering Grand River by a lock. The cost of this would be something like the following:—

From junction to bend near Broad Creek, 760,226 yards, *a* 15 cts...	$114,933 90
From bend near Broad Creek to Grand River, near mouth, 94,245 yards *a* 15 cts.....	14,236 65
Grubbing this last part, say,.....	3,000 00
Lock, ...	9,000 00
	$141,170 55

This sum would probably make this part of the work correspond to the original plan, and besides furnishing a more abundant supply of water for the Canal, one very great advantage would result from this expenditure, in the fact that by thus making it a main channel, it would allow vessels to pass through the Canal by one or two weeks earlier in the spring than the ice will permit them at Port Colborne.

Another plan has been spoken of, which is to enter Grand River by a lock at Dunnville. In pursuance of this plan, should the feeder be deepened 8 feet from Dunnville to Broad Creek, the expense would be much the same as that for the previous plan, and but one advantage attends it, that by an enlargement of the entire extent of the feeder, a great body of water would be admitted into the Canal, whilst on the other hand, it would render the route for the passage of vessels more circuitous by 6 or 8 miles.

The harbour at Port Colborne or Gravelly Bay, I thoroughly examined, and furnished with the soundings and positions of the shoals, &c. Nature has done much for this place, as a harbour, in giving good bold water—locked in by a reef running on each side, aand a shoal formed so as to render an advantage in the protection it can be made to give. I have given a sketch of the harbour:—

Pier *A* is now being constructed, and is intended to be 1,200 feet long, built of timber 18 feet wide and filled with stone. The estimate for the work is about $10,000, which appears the fair cost as now building.

In addition to this, to make it a Harbour where safety can be found and security against every wind, I would advise to build another pier 250 or 300 feet long against the shoal at *B*, and on the northern front of it, but so as to leave good water within it. Such a pier would cost about 4 to 5000 dollars. It should be formed with a good ice breaker at the end, which is done by facing it with strong timbers laid on at an angle of about 45 degrees, to permit the ice to slide upon the timbers whenever moved by the wind; at some future day, when the extent of trade will justify it, and that time will soon arrive, there is no doubt that a pier commencing at *C*, and running to a point 100 feet from the easterly end of pier *B*, will be made; but if the piers *A* and *B* are now made, a Steam Boat or vessel can always lie safe in any wind.

I consider the plans pursued to make a Harbour at Port Colborne to be judicious, and when accomplished, it will be every thing which can be expected as a good Harbour; safe and sufficiently spacious for a long time to come, and easy of entrance in the worst of storms.

The Harbour at Port Dalhousie, I have also examined and feel much at a loss how to remedy the faults which I think have been made in the relative position of the piers. There are two piers running not quite parallel, but nearly so; they are about 60 feet apart at the foot of the Lock, and 100 feet at their outer end; and after being carried out about 300 feet, terminate in about 9 or 10 feet water, at the lowest stage of the Lake.

The great error has been committed in the proximity of the two piers, they ought to have been 250 or 300 feet apart, and I see no way to correct the error. The Lock ought to have been placed at Pawling's Point, which is 60 rods higher up than its present location, and this, if now done, will correct some of the inconveniencies of the present plan, and enable vessels entering this Port in a storm to come to without injury.

It is said Mr. Pawling will remove the Lock, and re-build it at the place pointed out above, for ten thousand dollars. If he can do it for this sum, it will be money well expended to have it done; and also at the same time to provide a copious waste below the Lock, that all the flood waters may pass into the channel and sweep out every thing between the piers. Such a plan of waste will do much in removing obstructions and keeping the channel open.

If the lock is removed, and the piers extended about 200 or 250 feet further, it is said you will then have 14 feet water;—this is a depth which can never be much disturbed by the waves of the lake. I I should advise to have the piers gradually recede from each other, so as to be 175 or 200 feet apart at their outer end. The expense of this extension, if made 18 to 20 feet wide, of timber and stone, in the same way as the other part will be from 7 to $9,000. These two alterations would make the harbour a tolerable one; and I should think a steam-boat or vessel might enter in a storm very safely.

It has been suggested that I should advise as to a a plan of wooden culverts, intended to drain the swampy grounds slong the canal, and where the head or pressure of water would be very considerable whenever the water is drawn out of the Canal. In all cases where the culvert is to be immersed in water, wooden culverts are durable and much cheaper than stone, and are indeed better, if rightly constructed; because stone culverts, in a case of the kind I have stated, would burst with the head of water forcing it. The manner of constructing such culverts is, to have clamps of scantling well framed together, and keyed up strongly on the outside. Any mill-wright who has ever made what is called a pent stock, to convey water to a mill, will understand it perfectly. The whole consists in planking the inside of a strong square frame of such size as shall be thought advisable to suit the case. I have had them made of 8 or 10 feet square, and conveyed water of the level of that in the Canal, but shut out from it, under the Canal, making it rise again and pass off to a large manufactory. The plan is simple, and only

requires one precaution; that is, to have collars of sheet pile plank run under the bottom, around the sides, and over the top, 2 feet wide all around, directly under the centre of each culvert. The plank may be driven as ordinarily, and the sides secured to a cross piece at top and bottom. The object and design in this is to prevent the water in the Canal from finding its way to the culvert and following the planking, thereby cause a breach in the bank.

To guard the use of the water power which the Company have conveyed to individuals, I think, wherever used for hydraulic purposes, there ought to be a regulating waste to rise within two or three inches of the water line intended to be preserved.—By having this regulating waste of sufficient length, a quantity of water, abundant for mill purposes, will pass over without detriment to navigation. If the mill owners are not thus controlled in the too frequent use of water, the Canal will suffer. It is well known to Captains of vessels, that want of an inch of water may cause considerable detention; and mill owners should not impair the usefulness of the Canal.

In regard to stop gates to secure against breaches, or for facility in draining the Canal when necessary, I should certainly advise to have a stop-gate put as near to Port Colborne as a good bottom can be found. If rock bottom can be found within half a mile, or about that distance, I should place a stop or safety gate at that place, at the time the Canal excavation is going on. Another ought to be made, just beyond the aqueduct, to secure against any breach about that work.

I will now recapitulate the several items of expense which I consider first of all necessary:

Making Port Colborne a good Harbour—say.....	$16,000 00
Excavation of Canal from Port Colborne to the junction, 36 feet bottom	38,206 40
Excavation between junction and Port Robinson.....	14,111 20
Excavation of Deep Cut.....	9,680 00
Securing the Canal from wash of spoil bank.....	1,200 00
Deepening and widening feeder to a depth of at least six feet.....	48,177 00
	$127,374 60

If thought unadvisable to give the Canal the 36 feet bottom and 60 feet top then from this we deduct

50,020 yards excavation, @ 20 cts..	$10,004 00
11,000 yards rock, @ $1.....	11,000 00
36,000 yards excavation, @ 16 cts..	5,670 00
12,500 yards excavation, @ 40 cts..	5,000 00
$127,374 60—less—	$31,764 00

Which leaves the sum of.....$95,610 60 to make this part of the Canal according to its original plan. I, however advise to have it excavated the full width of 36 feet bottom; and I have never found any great danger of banks sloping 1½ to 1, or 33 degress from the horison, giving way so as to do any injury—more particularly in a Ship Canal, where the wash of the banks from rapid motion does not occur; which, if it should happen, would still be no serious disadvantage.

If to the first sum we add what will secure the banks at Deep Cut, $20,000,—say for $150,000 all this can be accomplished.

Next to these are the repairs or renewal of Locks. There are 38 Locks on the main line of Canal, and to repair them according to one estimate, saving the old foundations, will cost each, $6,800. As the Lock at Port Colborne is new, and is built different from the others, being backed up with stone, I do not include that Lock, and will say 37 Locks, @ $6,800 each, = $251,600.

The calculation being made for a Lock of 10 feet lift, I believe the estimate as above will also cover the removal of the Lock at Port Dalhousie up to Pawling's Point, if it can be done, for the sum which has been previously named, and a saving may be made in each Lock by using the old timber in bottom, under the walls of stone, where it will be immersed in water.

The expense of extending the piers at Port Dalhousie, which I have estimated at $7,000, I do not include, as that item will depend on the question whether the branch is to be made to Niagara River.

I have examined Mr. Barrett's report of the expense of a branch from the present Canal to the mouth of Niagara River.

It appears from this Report that two plans are proposed and estimated for by Mr. Barrett.—One commencing at the head of Lock 31, and descending to Niagara River; the other commencing at the head of Lock 18: at 2 miles and 62 chains it joins the other route. (See Messrs. Barrett and Keefer's Report.)

Messrs. B. and K. have not given the items of expense which form the cost of each of these routes, a circumstance much regretted by me. It appears that the ground is generally very favourable, and they have estimated the total cost of the

Southern Route at.....	$401,483 06
Northern Route at.....	308,949 88

It was unfortunate that the details of these estimates were not to be obtained before I left the Welland Canal. Learning from gentlemen that Mr. Barrett had made such surveys and estimates, and having known Mr. Barrett for many years, I was induced to hope they might be found, and save all the expense of making another survey. I am, however, much disappointed in not finding the items of expense of excavation, the expense of Locks, &c., which, after seeing the general formation of the country, would have given me the means of making up an opinion as to the accuracy of their estimate.

I have previously given an estimate of what I should consider the expense of a cut stone Lock; but if I understand Mr. Barrett's Report, he did not intend to have any thing better than rubble work, except at Niagara; and I see that he only intended 100 feet between the gates, whereas I have 110 feet.

Upon my plan of cut stone locks, built in the best manner, I make them cost each,.. $19,248 00

18 locks, at $19,248,.....	$346,464 00
12 miles of canal excavation, embankments, culverts, bridges, &c. at $10,000,.....	120,000 00
	$466,464 00

On the Southern route,

31 locks at $19,248,.....	$596.688 00
12¾ miles excavation, bridges, culverts &c., at $10,000,.....	127,500 00
	$724,188 00

If the other plan of building locks should be adapted for this case, (which I do not recommend) the calculation would stand thus:

18 locks, at $9,663, is.....	$173,924 00
12 miles canal excavation, bridges, culverts, &c.	120,000 00
	$293,934 00

It may be said, that with locks of this kind, 300,000 dollars would make the branch on the northeren route—(See map of the Country.)

The one advantage would accrue from proceeding immediately to construct this branch, viz: that it might be finished in two years after contracts were made and a good navigation secured, before many of the other locks below the junction of this Canal would give way, so as to require an entire renewal.

Taking into view the situation of the Welland Canal, the comparative security of the harbor at the mouth of Niagara, and the advantages to the town of Niagara, as a commercial place—these, and many other considerations of much weight, induce me to recommend very strongly this branch to be made.

If the question is asked—why not adopt for this Canal a corresponding size with the intended Canal and locks in the proposed improvement along the Saint Lawrence to Prescott?—to this I reply, that the great amount of lockage, and the great expense of such large steam-boat locks—the doubts whether steam will ever take the place of sails on these lakes—on the contrary, a present belief that the latter will always transport nearly all the products of the country on these inland seas—all determine my mind that the locks ought not to be at this time any larger than the plan for the Welland Canal, viz: 24 by 110 feet.

In concluding my report upon the Welland Canal, my duty leads me to a few remarks upon the present importance of the whole work, and more especially its thousand-fold prospective usefulness; at this latter point, you will perceive I have particulary arrived in the formation of my plans and estimates.

North of the 37th degree of latitude, and east of the Rocky Mountains, is a vast expanse of country, capable of sustaining a population of 50 millions; and which in 25 years hence will have a population of more than 10 millions. With this rapid and mighty increase of population adjacent to the shores of the Upper Lakes and their tributaries, to what direction shall we look for an outlet for their surplus products?

The three general outlets are: 1st. To New Orleans by the way of the Mississippi. 2d. To New York by the way of Canada, and the Hudson, and such railroads as may be made auxiliary thereto. 3d. To Montreal and Quebec. To the first, the insalubrity of the climate is an insuperable obstacle to a regular trade. It is one of those natural impediments which there exists no way of fully counteracting, although the introduction of steam vessels on that River and its tributaries will do much to alleviate this disadvantage, still the trade inclines to seek its connexion with some other quarter. We see this in the fact, that the Erie Canal, in the short period of its use, is even now thronged with boats, a small part of which are as yet the transports of the products west of Buffalo, and complaints are made of the insufficiency of this channel. Of the several cities on the atlantic border, I have mentioned New York only: her vast superiority in local position and other natural advantages, will ever give her a commanding influence over the trade of the interior, compared with her sister cities. Pennsylvania, it is true, is doing much for her commercial emporium, but the elevated region she is compelled to intersect is a great obstacle to her efforts. Thus between N. York, Montreal and Quebec, more of an equal competition will ensue for the trade of the upper country. Had it been possible to attain any thing like as easy a communication as the Welland Canal between Lakes Erie and Ontario on this side of Niagara River, the natural jealousy of a commercial rival would have interfered. So that, fortunately for your Government, Gentlemen, you are in the possession of the power to prevent an entire monopoly of the trade alluded to.

The cheapness of transportation, via Lake Ontario to Montreal, is a decided advantage, and not easy, if at all, countervailable. It only remains to be seen how far the policy of your Government, with respect to this work, will correspond with the object to be attained. We may set down as certain, to Montreal the trade of the country adjacent to Lake Erie, lying within the precincts of your government; and to this may we not add one half the trade of Ohio, Indiana, Illinois and Michigan. Is it not then correct to say, with the Welland Canal in good order, the commercial importance of Quebec and Montreal will be doubled? The jealousy and apprehension above adverted to, of a diversion of trade from New York down the St. Lawrence, has long existed; in proof of which, I need only introduce a paragraph or two from a report made to the Legislature of the State of New York, by the Canal Commissioners, March 2d, 1811. Two routes had been suggested to obtain the trade of the West—one, the direct communication to Lake Erie now adopted—the other, a cut round Niagara Falls, and from Albany by Rome to Oswego, terminating the Canal there. Notwithstanding the limited pecuniary resources were at that time a great impediment, still, on a comparison of the cost and obstacles of the former with the latter, they put the interrogation.—"Whether, it being less difficult and expensive, it would not be advisable to descend into Lake Ontario, rather than encounter the difficulty and expense of the other course?"—to which they reply:—

"The Commissioners believe it would not: and, "without relying, as they might, for support of their "opinion on the comparative expense of transporta-"tion, it is sufficient to say, that articles for expor-"tation when once afloat on Lake Ontario, will, ge-"nerally speaking, go to Montreal, unless our Bri-"tish neighbours are blind to their own interests; a "charge which ought not lightly to be made against "a commercial nation."

"Freight from Niagara to Oswego, will, from the "difficult and dangerous access to that harbour, be "as high as to the head of the rapids in the River "St. Lawrence. The descent from thence to Mon- "treal is less than the ascent from Oswego to Rome. "It is true that Lake Ontario is estimated at 196 "feet above tide water; and the Rome level only "184 feet above the lake; but there is a considera- "ble descent in the River St. Lawrence, in a distance "of about 70 miles to the lower end of the present "sloop navigation, through which the current is "sometimes very strong. There is also a consider- "able descent from Montreal in a distance of about "30 miles, to tide water in the Lake St. Peters. "Perhaps it will be found that an average allowance "of 3 inches per mile (in the whole, upwards of "twenty feet) is not too much, and that the river at "Montreal is not one hundred and seventy feet be- "low the upper surface of the Gallop Rapids. In "the distance of one hundred miles between these "places, there are forty of still water, viz: about "thirty in Lake St. Francis, between the foot of "Longue Salt and the head of the Coteau du Lac "rapid, and upwards of ten in the lake of two "mountains, between the foot of the cascades at the "Cedars and the Lachine rapid. Thus there will remain "but 60 miles of canal, with an average fall of 34 inches "per mile. The land descends proportionately to "the water, so that there can be but little deep cut- "ting. The soil is easy to dig; there are no streams "or ravines of any consequence to cross, and there "is an inexhaustible supply of pure water, which "never varies much in its height, for any Canal "whatever.

"Under circumstances so propitious, it is proba- "ble that a good sloop navigation from above the "gallops to Montreal, would cost less than a good "boat navigation from Oswego to Rome. The ex- "tent of this last, deducting Oneida Lake, is 56 "miles. The fall is on an average, near 40 inches "per mile. The supply of water is doubtful; and "in 12 miles of the distance, obstacles almost insur- "mountable present themselves.

"These are facts to which it would be vain "for the citizens of the United States to shut their "eyes. The eyes of a rich, enterprising, com- "mercial rival are open; and when it is considered "that (if the means of easy export be supplied to the "inhabitants who may settle near the lakes) that "country will in no distant period, furnish a more "abundant stock of commodities for foreign trade, "than is now sent from all the atlantic ports of the "Union; it would be absurd to doubt, whether, in "the competition for that commerce, our neighbors "will employ the means in their power. Nor must "it be forgotten, that the revenue which, under pre- "sent circumstances, is raised from commerce, and "which no probable change will reduce below an "ad valorem duty of 10 per cent., cannot but oper- "ate in favor of our rivals. True it is, that, so far "as regards the pecuniary benefits of those who may "settle along the lakes, the routes by which their "products are sent abroad, and their supplies of for- "eign articles introduced, must be to them a matter "of little consequence; but the political connexion "which would probably result from a commercial "connexion, certainly deserves the consideration of "intelligent men."

Although there are some errors in the statement here made, in regard to descent of water, and some want of knowledge of the lake of two mountains, as now understood; I have inserted it to shew the views of those gentlemen at that early day, as to rivalship of Montreal and Quebec.

I have the honor to be,
Gentlemen,
Very Respectfully,
Your Obed't Servant,
BENJAMIN WRIGHT.

New York, October 3, 1833.

Having written the foregoing, and time not allowing me to make any alterations previous to a necessary departure from hence, I have received in the mean time Mr. Barrett's report of items of expense on the branch to Niagara.

If Mr. Barrett is correct in his amount of excavation, embankment, &c.—I am in error as to the expense of that branch to Niagara.

I see Mr. B. averages all the items of excavation, embankment, bridges, waste wiers, acqueducts, culverts, grubbing, &c. at about 12 or 13 thousand dollars per mile, but his locks only $6,600 each.—These are exclusive of the 10 per cent. for contingencies. The prices at which he puts excavation and embankment must be very ample, and a little more than I should think it would cost under good management.

I make these remarks in explanation, and to guard against any disappointments in my estimates, as I wish that the public should not feel that any thing is attempted to be concealed,—or not fairly estimated at its real cost.

I will now give another view of the expenditure which I think ought to be provided for, so as to make the annual repairs and improvements come within the least proper and reasonable means.

1st. The expenditures which are absolutely necessary the present winter and spring, are,

Widening from the junction to Port Robinson, 52,195 yards, *a* 16 cents,	$ 8,351 20
Finishing piers at Port Colborne.....	16,000 00
Gravelling dam at Dunnville, say,....	1,000 00
Repairing ends of locks, say 12, *a* $250 each.....	3,000 00
NOTE.—This is only to make them last as long as possible, and to be prepared by contract to procure suitable materials at a future day.	
Spoil Bank,.....	1,200 00
Contingencies for lock-gates, &c. say..	4,000 00
	$33,551 20

This being done the navigation will be kept open through the season of 1834.

For the fall and winter of 1834-35, there should be provision made for widening feeder in all parts where the dimensions are not 40 x 20 x 5, say,.. $8,000 00

Widening main trunk from junction to Port Colborne, thus :—

45,932 yards, *a* 26 cents,.....	9,186 40
8,020 do. (rock,).....	8,020 00
Deep Cut, expend say.....	$ 9,680 00
Repairing another set of 12 Locks as before.....	3,000 00
Contingencies for new gates, &c.....	4,000 00
This year, I think at least four new locks should be built at $6,800.....	27,200 00
Extending piers at Port Dalhousie, say.	10,000 00
	$79,086 40

NOTE.—I have said $8,000 for widening the feeder, because I believed it would be better to deepen some part to the depth of 6 feet, and the width I have recommended to shew the effect in part upon the current; if there is half a mile upon one continuous piece, it will be a good opportunity to test the velocity of water in the 6, 46 and 28 feet feeder, and from such an experiment much information may be gained as to the correctness of my views in regard to the height of the dam at Dunnville.

The above being completed, there would remain to be provided for:—

The widening and deepening of the feeder.....	$ 42,000 00
Ditto of main Canal.....	31,764 00
Sloping banks at Deep Cut.....	20,000 00
Canal from Broad Creek to mouth of Grand River.....	26,236 65
Deepening feeder to 8 feet.....	66,756 90
33 new locks at $6,800.....	224,400 00
	$411,157 55

These would be attended to from year to year, as the appearance of sustaining the navigation should seem to require, and probably all the locks would have to be renewed, except that at Port Colborne, within four years. The time for the excavation of the feeder to an equal depth with the main Canal, might be extended to 3 or 4 years, if it was thought advisable, or even longer; but I think when once undertaken, it should be prosecuted and completed, beginning at one end and pursuing regularly so as to require no removal of water from the part finished.

I cannot close without adverting to the use of water at Marshville for hydraulic purposes. There is but a small portion of the year when these mills can be permitted to move without injury to the Canal. It is certainly proper to discourage any further erections of hydraulic works at that place, as the time will soon arrive when the use of the Canal will be so great as to require all the water at a low season: and the drawing off any portion at that place, by interrupting the flow or velocity of the current at that point, is an evil beyond the quantity of water taken, as it reduces the head of water and checks the flow of the remainder very greatly. The injury may not be so great when there is a flood in the Grand River; but there ought to be a diminution instead of any increase of hydraulic works both at Dunnville and Marshville.

No. 3.

THE WESTERN TRADE.

TO THE MERCHANTS OF NEW-YORK,—

The struggle for the commerce of the great west, now evidently existing between the States of New York, Pennsylvania, Maryland, and the Canadas, emboldens an old merchant, who once was a member of your community, to address you a few brief remarks, which, during some years of observation and experience in the North Western parts of this State, have impressed themselves on his mind as incontrovertible truths. Receive them as such I pray you; and believe him when he assures you that it is his sincere conviction that the plan he proposes to you is the only one by which you can effectually and permanently secure the Western Trade to your city. *Read, examine, and judge for yourselves.*

The time is not far distant when your own, and the eyes of the people in general will be open to their true interests on the subject of inland navigation. The doctrine "*that rivers and lakes are only made to be feeders for Canals*" is fast losing ground. An expected rise of lands, and the money spent in the districts through which canals are made, are generally the great inducements to keep truth from the public. I do not mean to say that the Canals already made and contemplated to be made are not beneficial; but I do assert that the money spent on them, and particularly that spent on the Erie Canal, could have been laid out to much greater advantage by making a steam boat navigation via Oswego river, &c., to Albany and New York—by connecting Lakes Erie and Ontario—by improving the navigation of the Genesee and Seneca rivers, &c. If this had been done, the State of New York would have gained *doubly* the advantages the Erie Canal has afforded.

I prophecy that New York will yet have to make such a navigation in self defence. The Canadas have become wide awake to their true interests. They have begun to move, and that great and fertile country (hitherto misunderstood by all the world, and particularly so by the English Government) has within the last five years, made more rapid progress in wealth, population, and improvement than it has done for 50 years previously. Some gigantic works have been begun and completed; but the same short sighted policy that created a canal of 200 miles running parallel with one of the greatest lakes in the world (Lake Ontario) within an average distance of only fifteen miles, has also produced their Rideau Canal at a cost of above six millions of dollars—running parallel with the St. Lawrence, the outlet of our inland seas, at a distance of only a few miles. It proves not to answer the expectations entertained for the purposes of commerce, although it is said that in a military point of view it promises all that was anticipated from its construction.

The Welland Canal, connecting Lakes Ontario and Erie, *built* by private enterprise for the navigation of schooners drawing about 8 feet water however has destroyed the delusion of the Canadas. They now look to the St. Lawrence as the means of realising their golden dreams of drawing the commerce of the great West to Montreal and Quebec; and they will not be disappointed in their most sanguine expectations unless you prevent them. Less than three

millions of dollars will open a steam boat navigation from Lake Superior and all intervening waters to Montreal and Quebec. Can you suppose that the ditches and railroads connecting Lake Erie and the Hudson, the Monongahela and the Susquehannah, the Ohio and the Chesapeake—can and will prevent the trade of the west from following this grand natural highway? No, never. Expend your tens, your hundreds of millions, it is in vain! *Take off all the tolls on your canals, and it is still in pain!* If you merchants of New York wish to keep the trade of the west—make a steam boat canal around the Falls of Niagara; make the Oswego, the Oneida Lake, and the Mohawk navigable for steam boats, and you will secure it to your city.—All this I assert can be done for a less sum than the Erie Canal has cost

Cupidity, littleness of mind, and mean political considerations—I know it—are strongly against this plan, but when the mischief is done, then you must, you will adopt it—perhaps too late.

A great deal has been said about the dangers of the lake navigation. False reports have been and are continually raised, and small accidents aggravated into disasters. The same story is renewed a half a dozen times, and as often displayed under new colors, so that at last you have been made to believe that there is nothing but storms, ice, and disasters on the lake! and hence you are told that ditches must be made!—The great Ohio must be connected with the Hudson by a Ditch!—Can it be, when such mighty waters have been furnished by nature, and as it were within sight of magnificent rivers, holding forth their hands to be united with them, that a ditch is to be the channel of communication between the great Hudson and the mighty Mississippi?

Cunning speculators and selfish politicians tell you that the Lakes are navigable only during part of the year. True they are so, say from the beginning of April to the beginning of December, (I speak here only of Ontario and Erie) and that therefore they wont do. But I ask will Canals do better? No, not a jot. The same causes operate still more to the prejudice of the Canals than to the Lakes. But should this argument be worth any thing, why not make a Canal through the valley of the Missisippi? During how many months of the year are its streams unfit for navigation, when on account of the lowness of the water all trade is suspended? You will find that the difference in the feasibility of these two great routes, the one on account of winter, and the other on account of summer, is not very great—nay scarcely worth mentioning.

As to the risks of Lake navigation for Steamboats, it is, to say the least, not greater than that of the Mississippi, the Ohio, &c., where snags and other sunken impediments have destroyed more Steam Boats than any where in the world. Why not construct a ditch in lieu of making use of these dangerous Rivers? Besides, these ditches through the valley of the Missisippi would probably have the advantage over the northern ditches, that they would never freeze, and of course could always be used.

The risk of Lake Ontario during the months of navigation, I am persuaded is not greater than that of Long Island Sound. The best proof is that since Steam Boats have been introduced on the Lake (and there are now between thirty and forty, large and small, on Lake Ontario,) there have been but two Boats lost, viz: the Martha Ogden in the summer of 1832—a miserable old Boat of about 30 horse power belonging to the port of Oswego—and the John By, belonging to Upper Canada, during this summer.—The John By was a botched concern from the beginning, and neither she nor the Martha Ogden would in fact have been looked upon as seaworthy or as insurable vessels at the time they were lost.

What regards Lake Erie—although it is more dangerous than Ontario on account of its shallowness and great exposure to the winds—yet I should consider that the insurance risk during the months of May, June, July, August, September and October does not exceed the average risk of navigation during the year between New York and Boston.

To shew you the natural consequence of the St. Lawrence being made navigable for Steam Boats, I will here state to you at what rates the articles of wheat, flour, pork, and ashes, the staples of the great West, have this year been delivered at Montreal, at Oswego, and via. Oswego at Albany and New York from Cleveland, at the mouth of the Ohio Canal.—They are thus:

At Montreal through the Welland Canal, by Lake Ontario and the St. Lawrence, a distance of about 650 miles:—

A bushel of Wheat, at 18 cents.
A barrel of Flour, at 60 cents.
A barrel of Pork, at 90 cents.
A ton of Ashes, at $7.

At Oswego through the Welland Canal, a distance of about 350 miles:

A bushel of Wheat, at 10 to 12½ cents.
A barrel of Flour, at 2s. 9d. to 3s.
A barrel of Pork, at 56 cents.
A ton of Ashes, at $3 50.

At Albany, by way of Oswego, a distance of about 560 miles:—

A bushel of Wheat, at 26 to 28½ cents.
A barrel of Flour, at 86 to 93 cents.
A barrel of Pork, at 130 to 135 cents.
A ton of Ashes, at $8 50.

At New York, by way of Oswego and Albany, a distance of about 700 miles:—

A bushel of Wheat, at 29 to 31½ cts.
A barrel of Flour, at 98 to 105 cts.
A barrel of Pork, at 150 to 155 cts.
A ton of Ashes, at $9¾ to $10.

Making the vast difference in favor of Montreal, against New York, of 11 to 13½ cents per bushel of Wheat; of 38 to 45 cents per barrel of Flour; of 60 to 65 cents per barrel of Pork; of $2 75 to $3 per ton of Ashes.

Permit me to draw your attention particularly to the great difference in price between Canal and River, and Lake navigation; for instance—a bushel of Wheat from Albany to New York in Sloops, Schooners and Tow Boats, a distance of 150 miles, is carried for 3 cents, the same bushel of Wheat, on the Canal, from Oswego to Albany, a distance of 209 miles, is carried for 16 to 18 cents; and the very same bushel of Wheat is brought in Schooners through the Welland Canal (where it pays 1½d. or 2 cents toll) to Oswego, a distance of near 400 miles, for 10 to 12½ cents.

Do not deceive yourselves with the idea that the "great Emporium" offering such ease and facilities to the man of business in selling and buying can long withstand the vast difference in favor of Montreal, when once vessels loaded at Chicago, Green Bay, Detroit, Sandusky, Cleveland, &c. can carry at a still less rate than aforementioned, a Cargo direct to Montreal, without breaking bulk,—Mind that—*without breaking bulk.* Besides, let us look at the difference of time it will take to transmit produce to Montreal and New York.—Let the obstructions in the St. Lawrence be removed, and it will not take one third the time to Montreal that it will to New York.

Take off all your Canal tolls, and still there will be a vast difference in favor of Montreal. All your efforts are in vain,—you must give up the ditch policy and adopt one more in unison with the grandeur and magnificence of the great waters with which nature has blessed the State of New York! You must make the steamboat communication between the Hudson and the Oswego in self defence: for if you do not do it the produce of the great west must and will inevitably go down the St. Lawrence. You must make a steamboat channel around the Falls of Niagara; for if you do not the Canadians will. Already are schooners carrying from 3500 to 4000 bushels of wheat sailing with ease through the Welland Canal (although not yet perfected) and this very day while I am writing, (November 19) a schooner laden with wheat arrived here (at Oswego) from Sandusky in less than four days!

Our countryman, Judge Wright, has been employed by the Canadian Government in making surveys of the St. Lawrence, and is now preparing his reports for the next session of Parliament at York; seventy thousand pounds have last year been voted towards the improvements on the St. Lawrence.

The Welland Canal will most probably pass from the hands of individuals into those of the Government: negotiations between the parties having, it is believed, already taken place.

AN OLD MERCHANT.

No. 4.

MINUTES OF THE BOARD,

13*th Feb.*, 1833.

At a meeting of the Board of Directors, held at the Parliament Buildings, York.

PRESENT:

Alex. McDonell, *Vice President,*

Wm. Chisholm, and
Wm. Elliott, Esquires.

The minutes of the last meeting were read and approved of.

Wm. Elliott & Wm. Chisholm Esquires having been appointed by the House of Assembly Directors for the present year, took their seats accordingly.

The first subject that came under consideration of the Board was the raising of money to pay the debts due contractors and others.

The petition to the Legislature praying for aid was favorably reported on by a committee appointed to investigate the affairs of the Company, a copy of which is attached to those minutes, and the Board can only express their regret that the House of Assembly did not afford them the necessary aid to pay off the debts the Company have incurred to finish the work.

However as the Legislature have made an appropriation of £7500 to purchase stock, and have appointed Messrs Macaulay, Robinson, and Shade to expend the same,

The Board requested that the Agent and every other person belonging to the Company, will afford every necessary aid and information to carry the same into effect.

In the mean time the minutes of Council respecting the relinquishment of the Government Mortgage on the Hydraulic situations were read, and in compliance with the term of the conditions therein expressed, it was—

Resolved, That a bond be made out by the Company pledging them to lay out the money which may be obtained on the security of the Hydraulic works in payment of the debts incurred and the remainder applied on the line of the canal.

That a memorial be presented to His Excellency the Lieut. Governor, praying that His Excellency will authorize the Attorney General to make out the necessary instrument to relinquish the Mortgage held by His Majesty's Government on the Hydraulic works on procuring a bond from the Welland Canal Company that the money raised on the Hydraulic security shall be applied in payment of the debts due by the Company and the residue in placing the works on the Canal in a state of perfect repair, the following is a copy of the memorial to be presented to His Excellency the Lieut. Governor.

To His Excellency Sir John Colborne, K. C. B. &c. &c. &c.

The memorial of the Welland Canal Company most respectfully represents—

That the minute of Council has been made authorising the relinquishment of the Hydraulic situations on condition the Company will give a pledge to expend the sum on the Canal and Feeder—but does not express the payment of debts already incurred amounting to about £11,000.

Your memorialists therefore pray Your Excellency will be pleased to direct His Majesty's Attorney General to draw out the release on the security held by His Majesty's Government on those works, on receiving a pledge from the Welland Canal Company that the money shall be applied in payment of debts now due by the Company and the residue in completing the Canal, and as in duty bound will ever pray.

Mr. Merritt having notified the Board that his services will be no longer required by the Company after settling up the accounts,

Resolved, That due notice be given that all demands against the Company be presented on or before the first day of May next, and in the mean time that Messrs. McDonnell, Creighton, and George Keefer Esquires compose a committee to examine

and report on the same for the decision of the Board and will meet at the Canal Office in St. Catharines on the first Wednesday in June next, and there to remain until the affairs of the Company are finally settled and disposed of.

Resolved, That the Agent be authorised to negotiate with and see every individual having claims for damages, and if the Committee approve thereof settle the same before coming to an arbitration.

Opening the Canal by the 1st of April being a subject of the greatest possible importance to the interests of the Company,

Resolved, That the Commissioners appointed by the Legislature communicate their views and intentions on that subject that a mutual understanding and cordial co-operation should exist for its accomplishment.

Resolved, That a meeting of the Board at the Canal Office take place on the first Thursday of next month at the usual hour.

A letter from Absalom Shade having been read respecting his claim for damages by detention on the Canal last year.

Resolved, That Mr. Shade be paid in future tolls, such sum as the Committee may think fair, after examining the claim which is not now before the Board.

The draft of a Report for 1832, was submitted by the Agent.

Resolved, That the same be approved of, and is ordered to be printed.

February 27th, 1833.

At a Meeting of the Board of Directors, held at the Canal Office, St. Catharines.

PRESENT:

Alexander M'D'Donell, Esq., *Vice-President.*
William Elliott,
William Chisholm, and
Thomas Butler, Esquires.

The minutes were read and confirmed.

The application to the Bank of Upper Canada being read, and the answer thereto, it was *Resolved*, to summon a general meeting of the Board on the morrow to adopt some measure to provide means for paying off the demands.

That Captain Creighton and George Keefer, Esquire, be summoned forthwith, and a messenger be expressly sent to deliver the same.

The Board then adjourned to meet to-morrow.

February, 18*th*, 1833.

Pursuant to adjournment the Board met at the Canal ffice.

PRESENT:

Alexander Y. McDonell, Esq. *Vice President.*
George Keefer,
Captain Ogden Creighton,
Thomas Butler,
William Elliott, and
William Chisholm, Esquires.

The last minutes being read were approved and confirmed.

1st. *Resolved*, That the correspondence with the Bank of Upper Canada be recorded on the minutes to shew that every exertion has been made by the Directors to obtain money to meet their engagements and prevent the expenses of litigation which must inevitably follow if money is not provided.

The Board cannot help expressing their surprise that the Directors of the Bank should refuse accommodating the Compaey with so trifling an amount after having made so large a sum out of the operations of the Company.

In order to obtain the amount necessary to pay off the debts due by the Company,

Resolved, That the mortgage held by the Com pany, the relinquishment of the mortgages held by His Majesty's Government and all necessary papers be made out by Mr. McDonell, and procured accordingly.

The estimate to the 1st of November was examined and approved.

Resolved, That an application be immediately made to His Excellency Sir John Colborne, to declare the Port at Gravelly Bay now open, the work being so far finished as to warrant the application and to be called Port Colborne if it meets His Excellency's approbation.

A letter from the Hon. John H. Dunn, being read, tendering the resignation of his situation as President of the Company,

It was unanimously *Resolved*, That a communication be made in reply to Mr. Dunn, complimentary as to his services as President—and that the Board cannot at this time admit of the acceptance of his resignation.

1st. *Resolved*, That a communication be made to the Commissioners appointed by the Legislature advising them of the necessity that one of them should give his personal attendance on the work to ensure an early navigation.

Ordered, That the Report for 1832, be signed with our names after the approval of the Vice President, Messrs. Keefer, Creighton, and Butler.

Resolved. That the first toll collected on the Canal shall be plaeed in the Bank to redeem a note of hand given by Messrs. McDonell, Chishom, Elliott, Keefer, Creighton, and Merritt, for the sum of £500 payable in one year.

The Board then adjourned.

May 1*st*, 1833.

At a meeting of the Board of Directors, at the Canal Office, St. Catharines,

PRESENT.

Alexander McDonell, Esq., *Vice President,*
George Keefer,
Thomas Butler, and
Ogden Creighton, Esquires.

Ordered, That the general statement of the Company's affairs now submitted and the list of debts due

by and to the Company be approved of, and that the same be entered on the minutes.

Resolved, That an alphabetical list be made out of the names of those persons to whom the Company are indebted, with the respective amounts opposite thereto, which is to include the balance due on every transaction with the Company, and that notes be made out for the respective amounts payable on demand, for £2 10s., and under—In six months over £2 10s., and under £10—In one year for sums over £10—signed by the Vice President and countersigned by the Secretary.

Resolved, That the several amounts due the Company be put in course of collection forthwith and brought to a close. The Secretary to select such as are uncertain of being collected and settle them himself, and if not able to do so, to place them to account of profit and loss.

WHEREAS, it appears by the minutes of the 12th of June, that the sum of £2,300 was advanced to Contractors, at the discretion of the Agent and Engineer, which sums were then entered by the Secretary, to the debit of said Contractors—and whereas, it appears the money was paid out on the work to other Contractors and in different sums.

Ordered, That the appropriation which was apportioned and paid be approved of and confirmed.

Whereas it appears by the minutes of the Board, of the 19th November last, that the Mortgage and Bond from the Hydraulic Company to the Welland Canal Company was ordered to be assigned over to the Hon. J. H. Dunn for the sum of £3000, and as the order for the appropriation of this sum does not appear, although the intention of the Board was made known at the time by reference to the following letter from the Agent to Mr. George Keefer, the Engineer, viz.—

"You will receive the discount of £2,500 which is intended for the special purpose of paying off our laborers who are going away, and advancing a part to those who remain,—then to pay Donaldson a sufficient sum to discharge his laborers, say from 2 to $3,000. Thos. Merritt enough to pay his, say $1000. Thompson, 1 to $2,000. Old line Vanderburgh and others, a portion daily—a portion to Camp, and a portion to those at the Dam,—but on no account to pay a single order to any Merchant or other person who may hold due bills until you inform me how the money holds out.

The amount received from the Hon. John H. Dunn was paid to Alexr. McDonell, Esq. *Vice President*.....£ 250 0 0
Received from the Bank of U. C. 1st November.....£2,500 0 0

Which was expended..... £2,750 0 0

Resolved, That the same be approved of.

It appears by the Act of 1833 that the Commissioners appointed by the House of Assembly are to decide on all claims that may remain unsettled by the Welland Canal Company.

Resolved, That the Secretary write to the Commissioners to name a day when and where they will attend for the above purpose, that the applicants may be notified accordingly.

In case any difficulty or disagreement should arise in making a final settlement of the Company's accounts by the Agent and Committee,

Resolved, That when the day is named by the Commissioners the Secretary do notify Messrs. Thompson and all those having claims that the same will be settled by the Arbitrators on ——— according to law, and request their attendance accordingly.

Various suits having been instituted by Contractors, in consequence of their not having received the money due them from the Company—and a number of widows and indigent persons being detained for payment of their wages,

Resolved, That an application be made to the Commissioners for a Loan of £1000 to pay those demands and that the same be retained out of the tolls collected this year at Port Dalhousie and Grand River, which are to be appropriated to this purpose—and the Secretary is directed to pay the amounts collected monthly at said Ports to the Commissioners, and that the tolls collected at Gravelly Bay be appropriated in payment of Harbour until it is sufficiently secured.

Ordered, That all demands due by the Company, or Notes, be taken in payment of tolls, or for any debts due to the Company.

Shews a list of the Accounts due to the Company on their Books, and as it is more than likely that a small part of the same will be collected,

Ordered, That those Accounts be closed and an Account opened to be entitled "Bad Debts," and that the balances be tranferred to the debit of the same, crediting said Account with any amounts which may hereafter be received, and also with whatever old balances appear in the Company's Book's to the credit of any individual.

Resolved, That Mr. Smith be notified by the Secretary that he will be suspended from his situation on the 6th May next, unless he makes good the sum due by him on or before that date.

Experience has already shewn that it is expedient and necessary that every officer in the employment of the Company, who has charge of money, should give security.

Resolved, Therefore, that the Collectors of Tolls at Port Colborne and Port Dalhouse be required to give two responsible sureties in the sum of £250 each, besides their own Bond for £500—and the Collector at Dunnville £250 and two sureties of £125,—conditioned for the punctual payment of all moneys which may come into their hands, according to the discretion or requisition of the Canal Company.

Whereas applications are made to the Company from time to time, to make repairs on the Canal, in situations on which Mills are erected or water taken out of the main Canal, for Hydraulic purposes, it is necessary the same should be defined for the guidance of the Superintendent.

Resolved, That in all situations the main body of the Canal is to be kept in repair at the expense of the Welland Canal Company, all locks and waste weirs are included in the above,—But in all situations when water is taken out of the Canal for Hydraulic purposes the repairs are to be at the expense of the owners or proprietors of the same—and that all persons in possession of machinery on the line be duly notified of this resolution.

Applications having been made for tending bridges on various parts of the line—Ordered, that the same be let out by Mr. Merritt and Mr. Robinson on the best terms for the interest of the Company.

Resolved, That Mr. Merritt be authorised to negotiate for the loan of money to pay the demands on the Company, and that he proceed to York next week with a statement of the Company's accounts to lay before His Excellency the Lieutenant Governor, and make any application there or elsewhere he may deem necessary.

Resolved, That J. B. Yates be allowed one per cent for negotiating the sum of £50,000, amounting to £500.

Resolved,, That the account submitted by the Agent of the Hydraulic Company be approved of, and that the same be deducted from the interest due on the 1st of January last.

1st June, 1833.

At a meeting of the Board of Directors, held at the Canal Office, St. Catharines,

PRESENT:

Alex. Y. McDonell, Esq., *Vice President*,
George Keefer, and
Thomas Butler, Esquires.

The Minutes of the former Board were read and confirmed.

The first and only subject taken into consideration was to indemnify and secure John B. Yates, Esq., for advancing the interest due on the last loan of £50,000 and thereby securing the Canal, as will be more fully explained by reference to the letters of the Honorable the Receiver General of 18th and 19th April last, and by the following resolution.

WHEREAS in consequence of the unexpected embarrassments of the Company the interest due the Bank of the United States for the 6 months ending the 16th March last remained unpaid, and whereas the same was advanced and paid by John B. Yates, Esq., of New York, one of the principal Stockholders.

Resolved, That the amount so advanced by him being $50075 with the interest thereon after the 16th instant, together with the rate of exchange on New York 1½ per cent be repaid to the said John B. Yates, out of the first monies which shall be received by the Company, and it is further *Resolved*, That immediate provision be made for the more punctual payment of the interest hereafter, and that the President and Secretary adopt such measures as may be required fer that purpose, and if payment of the loan of £50,000 shall be exacted pursuant to the notice received from the Branch Bank at Buffalo that the said officers of this Company be required to make some other negotiation for said loan and that the President or Vice President and Secretary execute such instrument as may be necessary for that purpose.

Adjourned until one o'clock on Monday next.

3rd June, 1833.

Pursuant to adjournment the Board met in the Canal Office, St. Catharines,

PRESENT:

Alexander McDonell, Esq., *Vice President.*
George Keefer, and
Thomas Butler, Esquires.

In pursuance of the resolution of the meeting of the 1st May last, Mr. Merritt proceeded to York, with the necessary documents and made application for the relinquishment of the security by Government on the Hydraulic situation as by reference to the correspondence on that subject from 8th to 10th May, will more fully appear the result of which was the receipt of a letter from His Excellency the Lieutenant Governor, dated 9th May last, addressed to the Agent, which letter contains an assurance that a release shall be granted to the Welland Canal Company ceding the right which Government may have on those privileges as soon as a sufficient sum of money can be raised to pay off the debts contracted for work performed on the Canal, the document proving satisfactory.

Resolved, That John B. Yates, Esq., be authorised to adopt such measures as he may deem expedient to borrow a sufficient sum for that purpose.

Resolved, That the arrangement made respecting lock tending by Mr. Merritt, (see his letter) they be approved of, and that Mr. Vanderburgh be paid 7s. 6d. per day, or $30 per month.

Resolved, That J. B. Yates, Esq., be authorised to borrow a sufficient sum for completing the harbor at Port Colborne, on security of the hydraulic property, with the responsibility of the Company.

The Board adjourned.

5th June, 1833.

Pursuant to adjournment a general meeting of the Board was held at St. Catharines—

PRESENT:

Alexander McDonell, Esq., *Vice President*,
William Elliott,
George Keefer,
Thomas Butler, and
Ogden Creighton, Esquires.

The minutes of the last meeting were read and approved of.

George Keefer, Esq.'s claim for timber, £22 7s. 6d., this claim was referred to Mr. Phelps, agreeable to Mr. Barrett's Report.

5th June, 1833.

At a Meeting of the Stockholders, held at St. Catharines, pursuant to Act of Parliament—

PRESENT :

J. B. Yates, Esquire,
A. M'Donell, Esquire,
W. H. Merritt, Esquire,
Ogden Creighton,
George Keefer, Esquire, and
Thomas Butler, Esquire,

The ballot being regularly taken and closed, the under-mentioned gentlemen were declared duly elected Directors for the ensuing year, viz :—

Wm. Hamilton Merritt, Esquire,
Alexander Yates McDonell, Esquire,
George Keefer, Esquire,
Thomas Butler, Esquire,
Ogden Creighton, Esquire.

The Directors then present proceeded to the choice of President and Vice-President, when the following gentlemen were unanimously named :—

William H. Merritt, Esq., *President.*

Alexander M'Donell, Esq., *Vice-President.*

6th June, 1833.

The Board met at the Canal Office—

PRESENT :

William H. Merritt, Esq., *President,*

Alexander McDonell, Esq. *Vice President.*

George Keefer,
Thomas Butler, and
Ogden Creighton, Esquires.

Ordered, That Ogden Creighton, Esq., be appointed Treasurer for the Company without a salary for the present year, on furnishing securities in the sum of £2,500.

Rescinded 2nd April, 1834. *Ordered*, That the Collectors of Tolls are not to make any deductions from the amount of their returns for wages or other contingent expenses till first submitted for the approval of the Board.

The toll having been appropriated by an order of the Board of Directors, dated ——— instant, for the purpose of paying the interest on the loan of £50,000 due the Bank of the United States, excepting the monthly payments of lock-tenders—sinking a pier and erecting a light house at Gravelly Bay, Port Colborne, and £50 for sinking a pier—on west side of entrance.—The contingencies for this office for lights at Harbor, &c., it appears has been omitted.

Resolved, That the same be paid by order of the Board at the close of each month.

Ordered, That the President be authorised to prepare a memorial, transmit it to the Stockholders and forward it to the Home Government through His Excellency the Lieutenant Governor.

In no case is the Secretary to allow any paper to be taken out of the Canal Office unless for the purpose of registering or by a particular order of the Board any Director may take copies of any documents he pleases, but the originals must remain in the Office, and the Secretary be responsible for the same.

25th July, 1833.

At a meeting of the Board of Directors, held at St. Catharines,

PRESENT :

Wm. Hamilton Merritt, Esq. *President.*
Alexander McDonell, Esq. *Vice President.*
Thomas Butler, and
George Keefer, Esquires.

The minutes of the last meeting were read, and confirmed.

Resolved, That Mr. Robinson be immediately applied to for the payment of the £375, and that a vigorous prosecution of the work be recommended.

The Board adjourned.

27th July, 1833.

The Board met pursuant to adjournment.

PRESENT.

Wm. Hamilton Merritt, Esq. *President.*
George Keefer, and
Thomas Butler, Esquires.

The minutes of the last meeting were approved of.

Upon the representation of Mr. Farnsworth, the Commissioner's Superintendent, it was *Ordered*,

Expunged 2nd September, 1835. That the Secretary do immediately write to the proprietors of the Marshville Mills notifying them that at no time their Mills must be put in operation unless the water runs over the aqueduct from end to end, and the Superintendent is requested to report any breach of this order, when the regulations will be immediately enforced.

Ordered, That the Secretary write to Mr. Robinson, requesting him to furnish the amount expended by the Commissioners on the Canal, up to this date.

Ordered, That the resolution passed the 5th June relating to Notes not to be given for claims for damages or awards, be rescinded, and that Notes be given for claims on account of awards admitted by the Board.

It is *Ordered*, that no Collector of Tolls is to receive more than 25 per cent on the amount collected by him during any one month.

7th August, 1833.

At a meeting of the Board of Directors, held at the Canal Office, St. Catharines,

PRESENT :

Wm. Hamilton Merritt, Esq *President.*
Ogden Creighton,
Thomas Butler, and
George Keefer, Esquires.

Ordered, That the Board are not satisfied with the account presented by Mr. L. Clarke, as the dates do not correspond with the dates of the original account presented. The Secretary will procure a copy of the notices and Mr. Merritt's letter authorising payment of sundry persons on account of the Welland Canal Company.

Ordered, That the Secretary write them immediately on that subject and for them to explain the overcharge for their wages for May.

The Collector for Dunnville not having yet furnished his return for July to this Office, the Secretary is directed to write Mr. Phelps on the subject, as also to notify him that if he thinks the situation of Collector at Dunnville not worth his attention, on communicating the same to the Board another person will be immediately appointed in his stead.

Amended 2nd September, 1835. *Ordered*, That the Secretary make out and shew a statement of the tolls collected for each month, and to shew in detail the expenditure of the same, and in no instance are the tolls to merge in with the old accounts.

Mr. Clark's letter requesting to be allowed an advance out of tolls on account of his salary, was read.

Ordered, That Mr. Clark be paid out of Tolls £25, the same to be charged against his salary.

Adjourned.

21*st. October*, 1833.

At a meeting of the Board held at the Canal Office—

PRESENT:

Wm. Hamilton Merritt Esq., *President.*

George Keefer, and
Ogden Creighton, Esquires.

The minutes of the preceding Boards were read and confirmed.

A letter from Mr. Randal, Collector, was read explaining why he charged his wages previous to the opening of the Canal at Port Colborne.

Resolved, That there being an order of the Board that no Collector shall receive more than 10s. per day from the commencement of the navigation till its close, Mr. Randal must be charged with the amount paid him for services previous to the commencement of the navigation for the month of May last.

It being made appear from Mr. Randal's letter submitted that Alonzo Sprague, Master of the schooner Hiram, was, in the canal at the time of detention in July 1832, and have not received a certificate to that effect, it is therefore—

Resolved, That the owners of the schooner Hiram receive credit on their future Tolls to the amount of £11 4 0½, being the amount of Tolls on her cargo when detained in 1832.

With a view to close up all the Toll returns with the close of the navigation this year—

Ordered, That the several Collectors be advised to leave no balances unsettled by them up to the 31st. October inclusive, and that the Secretary will make out and shew a balance sheet of all old accounts to the 1st. November for the information of the Board.

Captain Creighton's report respecting his mission to Montreal was read, the Board are satisfied every exertion has been made on his part to obtain the object of his mission, and have no doubt the Creditors of the Company will feel satisfied every exertion has been resorted to by them to liquidate their just demands.

It having been made appear to the Board that the owners of the schooner Erie and Ontario had not received any compensation for detention in the Canal in July 1832.

Ordered, That the owners of the Erie and Ontario receive credit on this Year's Tolls for the amount of £12 1 4, being amount of Tolls on her cargo in July 1832, and also that the owners receive credit for £1 4 0 for bags furnished to lighten schooners on the Canal.

Bradly Sherwood set forth a claim of £5 for lighting schooner Henry in 1832.

Ordered, That Mr. Randal must submit his opinion on this claim.

Robert Kirkpatrick Esq., claims by account 6s. 8d. for use of a Pickaxe.

Ordered, That this claim be deferred for further consideration.

Messrs. Bowery and Butler's claim by their account £2 12 2½ for lumber &c.

The claimants are required to furnish vouchers for their charges.

The Secretrry having paid Captain Baird £1 10 for detention at Messrs. Bowery and Butler's mills—

Ordered, That Messrs. Bowery and Butler be charged with the same.

The Board adjourned.

26*th November*, 1833.

At a meeting of the Board of Directors, held in the Committee Room of the House of Assembly, York,

PRESENT:

W. H. Merritt, Esq. *President.*

Wm. Elliott, and
Wm. Chisholm, Esquires.

The minutes of the last meeting were read and confirmed, and in compliance hereto the Secretary presented for the consideration of the Board the following documents, viz.:

1st. A general statement of the affairs of the Company to this date, from which it appears that the receipts and expenditure from the commencement of the undertaking, have been.....£362,478 1 0½

2nd. The Company's balance sheet for the current year, which shews an expenditure of £5018 8 3¾, and which is embraced in No. 1.

3rd. List of Notes or Due Bills issued and due by the Company, amounting to..... 6,729 15 10

List of debts due by the Company, so far as the same have been ascertained..... 11,364 14 9½

Amount due to the Hon. John H. Dunn, for advance made by him last winter.....	2,750	0	0
Making the cost of the Canal...	£383,322	11	7¾

All of which was approved of, and ordered to be engrossed.

Ordered, That the Secretary be directed to close the several accounts in the Company's Books, according to the documents now presented.

The Secretary also laid on the table a general statement of toll on vessels and property passed through the Canal, on the 31st of October, shewing the amount of toll received to that period to be £3335 4 9¾.

Ordered, That the Secretary be requested to present to the Legislature the several documents above described, and name a Committee of the House of Assembly to examine and report on the same.—

There was likewise presented to the meeting by the Secretary,—

A list of debts due to the Company..	£ 627	13	5
A list of debts due for Toll and Forwarding, season of 1830 and '31..	473	14	8¾
A list of debts due for Toll, 1832....	84	14	6½
	£1186	2	8¼

The meeting, however, upon a careful examination of those lists, think that no more than £ ——— can be recovered, and they direct the Secretary to use every exertion for the collection of such debts as are considered good.

Ordered, That for the more secure keeping of the Books, during the absence of the President and Secretary, attending their duties in Parliament, they be sent to the House of Wm. H. Merrit, Esqr. after the accounts are closed and balanced. The following sketch shews the ability of the Company to meet the payment of the debts due by them:—

Hydraulic Company's Bond.....£	25,000	0	0
1 year's interest.....	1,500	0	0
	£26,500	0	0
Amount of debts due by the Company, to the 1st November, (exclusive of claims not yet decided by the Arbitrators.).....	20,844	10	7½
	£ 5,655	9	4½

IN THE YEAR 1834.

An Act was passed on the sixth of March, this year (*hereto appended, marked No.* 1,) increasing the Capital of the Company, and an aid of £50,000 was granted, by the Province subscribing Stock to that amount. The Company were thus enabled to pay their debts and to continue to finish the Canal.

In the Session of Parliament of 1833, '34, the question whether the Canal should be made a Provincial work, was argued for several days—and great anxiety was expressed during the discussion that the Company should repossess the lands and hydraulic privileges formerly sold by them to Mr. Yates—and was made a principal objection to the Province taking the Canal off the hands of the private Stockholders, [see Report of Committee of House of Assembly, and Letter of J. B. Yates, Esq. hereto appended, marked No. 2.] The Board of Directors took the matter into consideration, and appointed a Committee of their number, consisting of Doctor Duncombe, William Chisholm and Colonel Elliott, the three Directors appointed by the House of Assembly this year, to investigate the matter and report upon the propriety of making a re-purchase, [see the Report of those gentlemen, appended hereto, marked No. 3,] [see also the agreement entered into, hereto appended, between the Welland Canal Company and Messrs. McDonell, Yates & Creighton, marked No. 4.]—The Annual Report of the Directors and the minutes of the Board this year, will furnish a detail of proceedings, [see Report of Directors for 1834, marked No. 5, and minutes of the Board for same year appended, marked No. 6.]—See also Report of Directors for the year 1835, marked No. 7.]

Documents *referred to in the foregoing remarks.*

Act of Parliament 4th Will. 4th, Chap. 39.....	Marked No.	1.
Report of Committee of H. of A. with letter of J. B. Yates, Esq...	" "	2.
Report of Government Directors on the Hydraulics,.....	" "	3.
Agreement, between the Welland Canal Company and A. McDonell, J. B. Yates, and Ogden Creighton, Esquires,.....	" "	4.
Report of Directors for the year 1834.....	" "	5.
Minutes of Board for the year 1834	" "	6.
Report of Directors for the year 1835,.....	" "	7.

This year the following Government Directors were appointed, viz:—

William Elliott,
Charles Duncombe, &
William Chisholm. } Esquires.

The Stockholders appointed the following, viz:—

William Hamilton Merritt, Esquire,
Ogden Creighton, Esquire,
Alexander Y. McDonell, Esquire, &
Thomas Butler, Esquire.

No. 1.

ACT OF PARLIAMENT,

4TH WILL. 4TH, CHAP. 39.

AN ACT to alter and amend the Charter and increase the Stock of the Welland Canal Company, and to authorise His Majesty's Receiver General to subscribe Stock in the said Company on behalf of this Province.

[Passed 6th March, 1834.]

WHEREAS it is expedient to amend the Charter and increase the Capital Stock of the Welland Canal Company, and to authorise the taking additional Stock on behalf of this Province in the said Company, for the purpose of enabling the said Company to pay the debts now due on account of the said Welland Canal, and to carry into effect certain improvements recommended by the Commissioers appointed during the last Session of the Legislature of this Province to inspect and report thereon, and to make further provision for the direction of the affairs of the said Company: *Be it therefore enacted, &c.*, That the first clause of an Act passed in the sixth year of His late Majesty's reign, entitled, "An Act to repeal part of and extend the provisions of an Act passed in the fourth year of His present Majesty's reign, entitled, 'An Act to incorporate certain persons therein mentioned under the style and title of the Welland Canal Company.'" be, and the same is hereby repealed.

II. *And be it further enacted, &c.*, That from and after the passing of this Act, the number of Shares constituting the Capital Stock of the Welland Canal Company shall not exceed Twenty Thousand, at Twelve Pounds Ten Shillings each.

III. *And be it further enacted, &c.*, That it shall and may be lawful for the Governor, Lieutenant Governor, or person administering the Government of this Province, to direct His Majesty's Receiver General to subscribe further Stock in the Welland Canal Company to the amount of Fifty Thousand Pounds, which Stock shall from thenceforth be held as and deemed to be public Stock, and to be in addition to and form part of the Capital Stock of said Company; and that the Government of this Province shall, as the holders of such Stock, be subject to the same conditions, and have powers, advantages and privileges as other Stockholders in the said Company.

IV. *And be it further enacted, &c.*, That it shall and may be lawful for the Governor, Lieutenant Governor, or Person Administering the Government of this Province, to authorise and direct His Majesty's Receiver General of this Province to raise by loan, on Debenture, from any person or persons, bodies corporate or politic, who may be willing to advance the same upon the credit of the Government Bills or Debentures authorised to be issued under this Act, a sum not exceeding Fifty Thousand Pounds Provincial Currency, in sums not less than One Hundred Pounds each, which Debentures shall be payable at the expiration of not less than twenty nor more than forty years from the date of such Debentures, bearing an interest not exceeding six per cent per annum, payable half yearly in this Province, or at an interest not exceeding five per cent, payable half yearly in London, on the transfer of the debt of this Province, by His Majesty's Receiver General.

V. *And be it further enacted, &c.*, That it shall and may be lawful for the Governor, Lieutenant Governor, or Person Administering the Government of this Province for the time being, to issue his Warrant on the Receiver General of this Province for the time being, for the said sum of Fifty Thousand Pounds, so to be raised by Debenture as aforesaid, or such part thereof as may be from time to time required by the Directors of the said Company.

VI. *And be it further enacted, &c.*, That all such Debentures as are hereby authorised to be issued, and the interest thereon, shall be and are hereby charged and chargeable upon, and shall be repaid and borne out of the monies that shall come into the hands of the Receiver General, to and for the public uses of this Province, and at the disposal of the Legislature thereof.

VII. *And be it further enacted, &c.*, That all and every the provisions contained in a certain Act of the Parliament of this Province, passed in the seventh year of His late Majesty's reign, entitled "An Act to authorise the Government to borrow a certain sum of money upon Debenture, to be loaned to the Welland Canal Company," respecting the Debentures authorised by the said Act, passing current with certain public Accountants; the payment of interest upon the same by such Accountants, and the suspension of interest in certain cases; the submitting to the Legislature accounts of such Debentures, the interest paid thereon, and the expenses attending the same; the payment of interest to holders of such Debentures; the remuneration to the Receiver General for the services required by the said Act; paying off and cancelling the said Debentures; and also, the provisions made in the seventh section of the said Act, for punishing the forging of any Debenture thereby authorised to be issued, or of any matter or thing relating thereto, or the knowingly uttering any such forged Debenture or other matter as aforesaid, shall apply and be in force in respect to the Debentures which shall be issued according to this Act, save and accept that the punishment upon conviction of forging or uttering any Debenture issued under authority of this Act, shall be the same as in cases of Felony which are not punishable with death.

VIII. *And be it further enacted, &c.*, That the number of Directors to be appointed annually for the management of the affairs of the said Company, shall not exceed seven; three of whom shall be annually appointed by a resolution of the House of Assembly of Upper Canada.

No. 2.

REPORT

OF

COMMITTEE OF HOUSE OF ASSEMBLY,

AND

LETTER OF J. B. YATES, Esquire.

To the Honorable
The Commons House of Assembly.

The Committee to whom was referred the Petition of the Welland Canal Company, beg leave to

REPORT:

From the indefinite terms of the petition, the Committee called before them, among others, Mr. Yates, one of the principal Stockholders in the Canal, and requested he would give the Committee any information within his reach on the subject of the prayer of the petitioners, and on the present situation of the Company generally.

From the long acquaintance which Mr. Yates has had with the subject, it was supposed a clearer and more general view of the present state and wishes of the Company could be obtained from him in the form of a letter to the Chairman, than in any other way.

In compliance with this wish, Mr. Yates has addressed to the Committee a letter, which is appended to this Report.

Without entering fully into the opinions expressed in Mr. Yates' letter, the Committee are bound to call the attention of the House to the propositions suggested towards the close of it. The first question is, shall the Government advance a sum sufficient, not only to place the Canal in such a state of repair as may insure its success during the ensuing season, but also to restore the credit of the Company, by enabling them to discharge the debts due to different individuals.

To the Province, in a commercial and general view, the value of the Canal is denied by none. And it is admitted that the means of the Stockholders are insufficient to place the Canal in a state of repair for the ensuing season.

We are then required to consider whether the Province by withholding support, shall allow the Welland Canal to go into comparative disuse, even for one year, and thereby possibly turn from Upper Canada the principal advantages to be ultimately derived from this communication between Lakes Erie and Ontario.

The amount of debts outstanding against the Company is nearly £25,000, and the sum estimated to be expended during the ensuing season, according to the estimate of Mr. Wright, is £8500.

The Committee would call the attention of the House to the suggestions contained in the Report of Commissioners appointed by an Act of the Legislature, during its last session, as to any future provision for the Canal. Upon this part of their Report, Mr. Yates has entered very fully, and his views seem in many respects, to correspond with the views of the Commissioners.

The means of the Company are exhausted—they are in debt—the Canal requires repair—without repair it must be at least for one season comparatively useless. Our enterprising neighbors are upon the alert to sieze any opportunity which may divert the trade and transport of the west from the waters of Canada.

Should any hesitation on our part to complete the Welland Canal, induce them to establish a route, affording even minor advantages, Upper Canada must for a length of time, perhaps forever, be deprived of the great benefits offered by the St. Lawrence, one of the great, if not the principal outlet of North America.

The Legislature have heretofore offered assistance to the Canal, but generally in such sums, and on such conditions as not to enable the Company to proceed with so much energy and certainty as to insure the completion and success of the work. The resources of the Company have been in many instances expended, and their energies almost paralysed in consequence of a series of accidents which none of those most interested in the prosperity of the work could foresee or prevent. And yet Mr. Wright gives it as his opinion that the expenditure on the Canal must, under all circumstances, have been conducted with great economy. This opinion of Mr. Wright's is entitled to much consideration, and ought to remove all doubts, if still entertained, that the funds of the Company, and loans given by this Province, at various times, have been improvidently expended.

The Committee deem it unnecessary for them to recommend to your Honorable House, either of the propositions submitted by Mr. Yates, and can only hope that something may be done, during the present Session, to place the Welland Canal in such a situation as may be most beneficial to the public interest.

J. H. SAMSON,
Chairman.

Committee Room,
9th January, 1834.

LETTER

OF

J. B. YATES, Esquire,

To James H. Samson, Esquire, *Chairman of the Committee of the House of Assembly on the Welland Canal Petition.*

York, 21*st Dec.* 1833.

Sir,

Unapprised as I have been until this day, of what the wish of the Committee would be, I had not prepared any written statement for submission to them, but on the suggestion of others had supposed a different course would have been preferred.

I will however in compliance with your request in as condensed a form as I can, present a history of

the Canal, in a few particulars a little variant from that given by the Directors in their report of last year, after which I propose making some suggestions relative to the present state of the work and what is required to be done.

My health is not good, and the time now left in which I must do this is short.

In 1824 the first act of incorporation was passed for a small Canal, part of the stock was snbscribed, a call made, and the work commenced on the 30th of November in that year.

The subscribers to the stock were however desirous that permission should be obtained to enlarge the Canal, and increase the Capital.

The routes and points of termination were then open for investigation, and decision, and as the stock holders supposed under their control. In 1825 the law was passed increasing the dimensions of the Canal, and the extent of capital, *but fixing the point* of termination on Lake Ontario and altering the ratio of voting on shares, so that a thousand shares gave no more votes to a stockholder, than one hundred.

These were very exceptionable alterations, but assurances were given that the work would with these alterations, receive a decided and efficient Legislative patronage. Although permission was granted to those who had paid any money under the first Act to *withdraw and reclaim their money* already paid, yet as no fund for such repayment was provided if the project was abandoned; and a resolution for the appropriation of £25,000 in aid of the work having been passed at the same session as an earnest of the intention of Government to sustain it, those who had subscribed determined that they would not abandon the work for this cause but continue their support.

It appeared also from the very enactment itself, by fixing the point of *termination imperatively* that Parliament had been governed by considerations *with which Stockholders* have nothiug to do, and the choice was confined to submission to the mandate or abandonment.

The books for subscription to the stock were opened in several places. The Receiver General of the Province who was President of the Company appeared in New-York and offered £75,000 for New York subscription, reserving the remainder except a small sum subscribed in Canada, for the English market.

In the intermediate time, before the stock was ever offered in London, the Directors determined on the strength of the New York and Canada subscription only, to proceed with the work.

The attempt to procure subscriptions to the Stock in England was procrastinated until the memorable year of bubble projects, which it is well known, was followed by a general prostration of credit, and an undistinguishing suspicion of all undertakings of this sort, destroyed every hope that the remainder of the Stock would be taken by individuals any where.

In this state of things, the attacks on the Canal, in consequence of its point of termination on Lake Ontario, were renewed. The whole commercial interest of the country was arrayed against it as a hopeless and profitless project, both for public and private uses, the New York Stockholders were assailed by every argument that could be addressed to their interests or their fears, and the pecuniary safety of some of them was threatened for a time. Yet the Directors persisted in their calls on the Stock thus partially subscribed with a full knowledge that there was not enough to finish any part of the work for use.

Many of the Canadian Stockholders forfeited their Shares, some offered theirs for sale, thus increasing the load upon those who fulfilled their engagements, while the Shareholders in New York, with a confidence that the work would be supported by the Government, paid up.

In the year 1826, pursuant to the resolution of the preceding year, £25,000 was appropriated by way of Loan.

The depression of the Stock and its low estimation among monied men, still continued, and in the winter of 1827, when the £25,000 from Government and about 70 per cent of the subscribed Stock had also been called in and expended, the Directors made application for Government assistance, but to so limited an extent that one of the Stockholders made a personal representation and exhibited the inefficiency of so small an aid.

In consequence of this by a very small majority after much opposition, the Province subscribed £50,00 of Stock and made a further Loan of £25,000, and also provided for a participation in the government of the Company by the appointment of two Directors.

The same session the Province of Lower Canada also subscribed £25,000 of stock. During the winter a Dispatch was received from Lord Bathurst, Colonial Secretary, promising on the part of the Imperial Government a grant of money equal to one-ninth of the estimated cost of the Canal, on certain conditions, which were complied with.

Fresh confidence was thus infused, and the Stockholders became more fully assured that the work would not be abandoned by Government. Yet in all this the commercial interest of the country was not conciliated to its termination on Lake Ontario, and it was generally believed that so placed it could not be profitable. The stock therefore continued unsaleable in the market. The Company of course had no credit on its own strength, while the means and credit of some of its most prominent private supporters had been exhausted, by continued and heavy payments to a work so generally disparaged.

The funds thus appropriated were again exhausted and the actual cost of the Canal exceeded the esti mate so far that it was thought expedient to send Mr. Merritt to England. He succeeded in procuring a loan of £50,000 from the Imperial Government *on condition of surrendering the claim to the performance of the former promise of one-ninth of the cost.*

A private subscription to the stock was also obtained by Mr. Merritt from some persons high in office and a few others of such standing and wealth that the smallness of the sum rather impaired than aided to the estimation of the stock; although it exhibited their good will to a work *hopeless of profit*, but for the accomplishment of which they were willing to *throw away a certain sum.*

Again, however, hope was revived—the progress of the work was pursued, but during the absence of Mr. Merritt, the contracts for some of the locks had been badly performed; and shortly after the sliding of earth at the deep cutting occurred when the whole excavation was nearly completed. The whole project was now confidently pronounced a failure by those opposed to it, and many of its friends were dispirited.

There was a determination however on the part of the large Stockholders to persist in the undertaking —relying on the deep interest Government had taken in it, and the evident advantage the Province must certainly derive from it.

The alternative was now presented, for the consideration of the Directors, either to persist in the precarious attempt to make a thorough cut to the Welland River, or take a feeder from the Grand River.

It is not within the limits of my present plan, to examine the merits of these projects; although I am prepared to shew that the one adopted by the Directors was the only one which afforded a hope of success.

Further excavation at the deep cutting was abandoned and a route for a feeder from the Grand River surveyed. The excavation was commenced and a contract for the construction of a dam across the Grand River entered into; after some preparation had been made and the site for the dam fixed under that contract, with a due regard to the safety of the Inhabitants and economy, objections were unexpectedly made to the place, as too near the mouth of the River for naval purposes; and the Board was compelled to select a station five miles higher up the River, by which a great additional expense was incurred.

At this time, also, obstacles were thrown in the way of an attempt to facilitate the entrance of vessels into the mouth of the Welland River, which were however *unfortunately for the Company*, overcome.

To this difficulty, its removal and effect, I may again have occasion to refer; for instead of being beneficial to the Company, it gave prosperity to a place almost inaccessible before and afforded animation and vigor to the most heartless and unrelenting opposition, if not persecution, the Canal and its supporters have ever experienced from any quarter.

A considerable sum was ultimately expended on the Welland River for a towing path and the cut across the point at Chippawa—after some further progress in the work in 1829, it was ascertained that the funds must again be exhausted, and the work stop or more money be procured.

The Company decided on sending again to England, and one of the stockholders in New-York consented to go. He was directed to procure if possible a remission of the debt to the Imperial Government to the extent of the sum originally promised by Government and to procure a loan or dispose of stock to the amount of 20 or £25,000, which it was supposed would make the Canal navigable by way of the Niagara and Welland Rivers into Lake Erie.

On the strength of this mission, in the hope of its success, the friends of the person sent, in New-York, accepted to the amount of £10,000, to prevent the work from stopping altogether.

The application to Government for the remission of the debt did not at that time succeed, but a subscription for stock to some amount was obtained. With this sum it was hoped the navigation by the above circuitous route would be opened and the practicability of the work being thus proved, confidence would be restored and a sufficient degree of credit secured to complete the remainder. The Company was however again doomed to disappointment. The contract for the dam across the Grand River was not well performed; and the whole having settled more than two feet the Canal was left dry, and instead of a good effect being produced by the use of the Canal, during the summer and autumn of 1830, additional discouragement was experienced and the noise from the whole body of assailants so completely misled the community that explanation and justification could not be heard except by a few who had independence of character and strength of judgment to look beyond this barrier of obstreperous censoriousness. Notwithstanding these efforts against them, fostered by a gratuitous malignity and successfully maintained by exaggerated statements of the casualties that had occurred, relying on the few who were willing to investigate for themselves; the Directors compelled by the necessities of the Company again in 1831, presented their memorial for further aid from the Province. This was however done with so hesitating a fearfulness, that they did not make a full representation of the actual wants of the Company, to obviate the defect, one of the stockholders again, as in 1827, made a representation and freely exhibited what in his opinion must be the wants of the Company, and attempted to prove the good policy and beneficial effect of adequate and full, instead of partial relief. The Committee after a thorough examination of the affairs of the Company approved of the more efficient course recommended and reported in favour of creating a Government stock to the amount of £200,000 taking the Canal and its works in pledge therefor, for the purpose of completing the Canal as it should be, paying off the former debts of the Company to the Government and consolidating the whole. The useful effect of this measure on the prospect of the Company, the funds of the Province, and indeed the whole character of the undertaking was so evident to every person who had bestowed any thought on financial operations, that its failure after being recommended by the Committee, confirmed by the Commons House of Assembly, and supported by a resolution of supply, was matter of astonishment and regret to many disinterested friends of the work both in and out of the House. It is not my design to examine the cause of the abandonment of so good a measure. It will be sufficient to say, that all the features of this promising measure were altered and a loan of the credit of the Government was voted for £50,000, a sum merely adequate to make the communication to Lake Erie direct, leaving the supply for repairs and the restoration of an impaired credit by payment of debts, and also the payment of the semi-annual interest on the £50,000, dependant on the contingent tolls to be derived from an imperfect, and, indeed, an unfinished work. Unequal as this sum was, to the full accomplishment of the object, the aid was necessary, and although accompanied with most singular and per-

sonally burthensome conditions, yet those conditions were complied with, and it was thankfully received. The work was again started with vigor, a temporary loan having been procured, on the hypothecation of these Government securities, for £50,000, and there was every reasonable prospect that the whole would be finished in a short time, when all labor was arrested by that desolating scourge with which, in 1832, the whole country was afflicted. Thus time after time, and year after year, have the prospects of this company been blasted by occurrences not within their control, and by a public calamity in which the whole Province was involved; yet in this last instance, if what I heard was a true representation of the language used, the Company has been charged with fault, *for not having* had power to contend with this afflictive dispensation of Providence.

At the end of the year 1832, the Directors again found their funds exhausted, the Company deeply in debt and without any means or credit to prepare the Canal for the business of the Spring. On this representation, I am told, the most unbounded vituperation was used. Some of the oldest and warmest friends faltered, and nothing more was done than the purchase, on the part of the Government, of £7,500 of the remaining Capital Stock of the Company, on the express condition that this money should be expended under the direction of three Commissioners appointed by the Province; with such limitation and restrictions as to imply a Legislative censure on the Board of Directors, or agent for misapplication of money: And an Engineer was employed to examine report upon the work. In all this no provision was made for the payment of the Debts of the Company, and its Creditors were in some instances ruined by procrastination.

The use of the Canal, in this first year of its completion, to Lake Erie direct, did not commence until the best business of the season was past; and it is well known that, in the transportation of the produce of the country, mercantile engagements must be made during the winter. Notwithstanding this great disadvantage, the evidence of its prospective usefulness, afforded by the short time in which the Canal has been in operation this season, is conclusive.

The season of business was broken, commencing in June instead of the first of April. There were no funds to keep the Canal in order, in the hands of the Company; and no such assurance of safety could be given as to justify prudent men who had another channel to recommend its use. The transportation was, however, fifty per cent more than the preceding year in the three months of uninterrupted navigation, which is perhaps the full extent of time that it has been in use this season, free from casualties,—the bad effect of which would have been, in part at least, obviated, if there had been means to prepare for contingencies. There is good reason to believe, that, if the Canal could have been ready for use in April last, and full assurance given that it would be kept in common order, the income from it would have exceeded £12,000; and this sum will more than pay the interest on the whole debt of the Company.

The Canal was open, and in use, altogether unimpeded by ice in this month, even during the cold weather which we have had; while, on the Erie Canal they had been obliged to break and cut ice in several places. The Company now requires, in order to secure the earliest opening of the Canal promptly, to be aided to an extent that will enable the Directors to widen the feeder, so as to admit a greater flow of water; to dredge the Canal; to repair and secure their Locks; to complete their Harbours; and to pay their debts. The remaining £100,000, contemplated to be Loaned in 1831, would be sufficient for the purpose, and, with the income of the Canal, gradually renew the Locks, and make them of greater dimensions as they require renewal. I have thus given as succinct an account as possible of the progress and present state of this great work. In looking at and examining some of the most prominent circumstances, which is all that at the present time can be done by me in its progress, I cannot avoid a remark, founded on what has appeared to me one of the most singular circumstances ever known in such a work. An exhibition throughout of *disinterested* anxiety on the part of many with regard to the expenditure, and sometimes a gratuitous suspicion of misapplication of money, (evidently without much examination,) while the private Stockholders (a very few of whom hold an amount equal to the Stock interest of the whole Province therein,) have closely examined the accounts, and, although disappointed in the whole cost of the work, are satisfied with the expenditure, and retain their confidence in the prospect of the Canal, and in a full and certain return upon their entire outlay, if they shall be sustained.

In complete confirmation that this confidence in the economy of expenditure has been well founded, ew ery Committee for the purpose of investigating the accounts has reported the same thing; and now an Engineer, appointed by Commissioners selected by the Legislature to expend a sum on the Canal, for which an equivalent in Stock is held by Government, has candidly (although necessarily, in truth,) reiterated the fact—*That much economy in expenditure must have been used to have produced such results as even the pressnt state of the Canal exhibits.*

I now propose drawing the attention of the Committee to some particulars in the Report of Mr. Wright—and first I notice the Locks on the Canal. These unfortunate Locks have been a fruitful source of declamation and misrepresentation. Some few of them were badly constructed in the first place, owing to fraud on the part of the Contractors. With the exception of these, all the Locks have answered the expectation of the Company; and it is demonstrable that, under the peculiar circumstances, any attempt to construct more expensive ones would have produced a failure in the work, and ruined some individuals who solely sustained it in its commencement. Other plans for Locks have been recommended. A short comparison of their promised durability may be useful. Mr. Wright estimates the cost of repairing the present Locks, without enlarging them, at £1700 each, which may be done gradually as they shall require repairing, stating a probable duration of four years, within which time it may become necessary to attend to all of them in this way; and then he supposes the repaired Lock will last 10 years. The present Locks have cost on an average not to exceed £750 each; and the first four of these Locks were completed in 1826, and have not required any repair. They are yet good after seven years' duration, and much greater exposure, than to have been in contin-

ual use. Where the Locks have been regularly supplied with water, the foundation will not sustain injury in fifty years, and the top or upper part of them can be renewed every ten years for less than two hundred and fifty pounds each.

These Locks, therefore, which have cost each £750 only, with every disadvantage of an empty Canal and the worst species of exposure both winter and summer, are yet in use. Their width is 10 feet more than the other Locks, being 32 by 125 feet chamber, the danger of sustaining injury was greater in proportion to the pressure of water and size of Lock Gates. The conclusive evidence from this part of the experiment is, that, when well made, this species of cheap Lock is as durable as any other Wood Lock. The cost, as suggested by Mr. Wright, for repairing is £1700. Deduct from this the actual cost, £750, of a new Lock on the present plan, the balance is £950. Put the duration of the present Lock at 10 years, seven of which have already expired, and the interest on the difference only, annually compounded at the rate of six per cent., amounts to near £746; so that, in the worst possible form, if the whole required to be taken up from top to foundation, the difference of interest alone on the relative cost would construct a new one every ten years, instead of repairing the old one.

No man acquainted with the duration of wood under water will hesitate to say, that wood immersed in water is probably imperishable by time only. All, then, below the water is as good as stone; and it is an abundant allowance to say one-third of the original cost will replace all above water, exclusive of the Gates, which are equally perishable in all Locks. £250, therefore, the sum above named, will repair them amply; and this may be done in the winter when the Canal is not in use. This calculation is on the supposition of repair only. The Engineer's next proposition is a Lock of £2416. The difference between this and the cost of the present Lock is £1,666; the interest as above on this difference, for ten years, is £1,310, (I throw off fractions,) nearly double the cost of our present Locks; and yet this is still only a superior sort of Wood-lock, with rubble or dry stone wall, sheathed with wood, conveniently repaired, as it is said, but still requiring repair in the same time and manner with the other.

The unerring certainty of mathematical calculation settles this question, and the Company have adopted a course the most conducive to public and private interest in the prosecution of their work. The next species of Lock presented for consideration is that of Stone. Mr, Wright's estimated cost of a Stone Lock, is £4,812: the difference between our Locks and one of these is £4,060. Three years' interest thereon, compounded annually, is a fraction more than £775. Of course a New Lock, like ours, may be made for the interest on the difference in cost, every three years. But Good Locks on our plan have lasted seven years, and will last several years more,—that is, the exposed part: the rest will, undeniably, last as long as we know any thing of time. Assuming, as we have done, Mr. Wright's limit of ten years,—at the end of this period the difference in the interest will be somewhat more than £3,196 each, and £250 will substantially repair any of our Wooden Locks: the difference, therefore, on the interest only, at the end of ten years, is £2,946; —multiply this by 40, the number of Locks in the Canal, and the saving amounts to the enormous sum of £117,840, or 471,360 dollars.

When Mr. Wright made his Report, he presented his propositions to men competent to examine his statements, and they were submitted for consideration. It certainly never occurred to him that the information and the enlarged view on which his calculations were founded would be so perverted as to afford an argument against supporting the work. These Estimates were presented for consideration, and to be adopted when a conviction shall become prevalent that the business of the Canal will warrant it—of which he does not appear to entertain a doubt as an event that must soon occur; and, unless the ordinary laws which govern the commercial intercourse of society are different here from any other known region, in less than ten years the business on the Canal will support any expense that may not only be necessary, but, under any circumstances, desirable. Assured, as I feel, of the liberal feelings of the Members, and willingness as well as competency to examine this part of his Report, I beg leave to draw your attention particularly to it. Attempts have already been made to pervert its meaning; and impressions, evidently never designed, have been excited in relation to the requisite expenditure upon the Canal, to sustain it in useful operation. This can have been occasioned only by too superficial an examination of the Report and its Statements.

This feature in the Report of Mr. Wright, I shall again have occasion to notice, and will therefore leave it for the present.

The misrepresentations with regard to the Locks have been the most untrue of any that have been uttered in relation to the Canal. It is painful to be placed in a situation that requires the exposure of deliberate and premeditated falsehood; but, disagreeable as the task is when it becomes my duty, and is within the limit of my right, I shall not omit it. It has become almost an axiom among a certain class of Engineers, that Locks for Canals, made of Wood, are useless; and so many of the merely imitative part of the community have blindly adopted it as such, that any attempt, reasonably to disprove it, is in danger of being laughed into silence. It is, therefore, with some gratification, that the testimony of of Mr. Wright, in his Report, may be referred to as not objecting to Wood Locks. He merely prefers varying plans of his own. I have endeavored to show, that, even there, we lose nothing, by comparison, in durability, and gain much in cost.

I owe an apology, perhaps, for the terms I have used with regard to those who, without any reason have condemned the use of Locks made of Wood.—I have so often been met by expressed incredulity, after positive and unimpeached evidence, that I cannot give credit to their sincerity except on the supposition of too easy an acquiescence in a received opinion, and culpable heedlessness of proof, while there is a pretention to full information.

When no injury can result from submission to, and retirement from, such a course, it is well. But, when the protection of an important work, and the prosperity of the whole community, are dependant upon our firmness, we must not permit ourselves to remain silent for the sake of quiet. There are many who are called to act on this subject, and have had

no opportunity for investigation. It is injustice to them to permit bold assertions, if untrue, to remain disproved.

I have asserted that the Locks were such as, in our situation, were most conducive to public good and private interest. To prove this, I have shown that the very interest on the difference in the cost of the cheapest Lock suggested is more than double the sum requisite to keep the Locks, on their present construction, in repair for ever; and in a Stone Lock the interest of one year on the difference in the cost is more than double the amount necessary for the same purpose. *I now assert, that, in no one instance, has the delay in navigation on the Welland Canal been owing to the Locks having been made of Wood; but the same causes would have produced the same accidents with Locks of any other construction.* It will be recollected, that, in the various attacks on this work, the form and mode have also varied to so great a degree, that what was, at one time, considered an argument in favor of the Canal, has, to suit the convenience of the assailants, been perverted into a charge against it.

Thus, its friends have asserted, that, when finished, its advantage would be greater and its income increased, because it would be used by the Americans in approach to their own sea-ports; and, in this way, even those who had a distinct commercial interest, would aid in support of a work by which the facility for conducting your commerce has been promoted. This anticipation was considered improbable, when first named, as a foundation for hope of income; but no sooner does experience prove it true, than this very use of the Canal becomes an evil. Thus has it been with the Locks. The first flood would sweep off the rubbish. The floods came again and again—the Locks remained uninjured. Years passed—accident prevented their use, and left them exposed, without water in them, to the heat of Summer and the frost of Winter; yet two or three only have required attention: but that was enough to renew the charge; and I must confess I have been much surprised to hear assertions made by men whose opportunity for information has been better than mine, which, with even the personal attention I have been able to give the work, I know to be unfounded.

Of the assertions I have made with regard to this part of the work, those which relate to relative expense rest on calculation; and, if this be correct, must be undeniable. Such as are founded on duration and safety, are proved by experience and observation. We have nothing to ask but an examination of proof.

I have said, if Stone Locks had been attempted, the ruinous result must have been inevitable. £4,-S12, the cost of one of the Stone Locks of Mr. Wright, multiplied by 40—the number of Locks on the Canal—would be £192,480.

In what state should we have been placed if an attempt like this had been made?

The sum required for this object only, would, after the expenditure of our money and the first £25,000 of the Province have prevented any further advances.

If, with a Canal almost completed, sufficiently prepared to give conclusive evidence of its immediate and immensely prospective advantages, there is still strength of opposition sufficient to render it doubtful whether this important commercial channel will continue to receive public support,—how evident must it appear, that any attempt to make the Locks of more durable materials would have caused an entire and disastrous failure!

Much has been said of the large amount yet required by the examination and estimate of Mr. Wright to complete the Canal. I have before alluded to his view of the subject, and his object in thus presenting it. I will now examine other parts of his Report, and shew that a greater part of those expenditures are to be incurred on the Canal, in the event only of certain contingent extension and improvements, not necessary for its immediate and beneficial use.

In the Supplement to the Report a more detailed estimate is given, in which we find what is more suited to our situation.

The entire amount absolutely necessary is about £10,000 for the ensuing year; of which sum three-fourths are required for the Harbour and permanent Work. In another year, if thought expedient, he has pointed out some further useful permanent improvements; and the entire sum of £7,550 is named for repairing Locks, and *building four new ones at his own estimation.* It will readily be seen, with all the professional and proper anxiety of Mr. Wright that this Canal should ultimately become such, in its construction, as its situation and great prospects demand—he cannot for a moment entertain the thought that any suggestion of future expenditure, upon expediency only, would occasion hesitation in its support. He, therefore, in all his statements, includes the necessary expenditure for enlargement, if increased business shall require it.

No part of this should be taken into the account when the propriety of present aid is alone considered: When the Canal shall require such outlay, there will be no difficulty in supplying it. In connexion with this part of the subject, I would refer to the Report of the Commissioners: They say, that "the greater part of the sum expended by them has been applied in finishing the Canal rather than repairing it."

In conversation I have heard it urged, by way of argument against hope for future aid, that the expenditure of £7,500, last season, is a criterion by which the annual outlay for repairs may be estimated.—How does this agree with the declaration of the Commissioners "that the greater part of this money was expended in finishing, rather than repairing, the Canal?" It was also then said, that the income of the Canal received during the season should be compared with such annual outlay, to test its usefulness. It requires a mere exhibition of such declarations, where they can be seen in connexion with the statement of facts as they are, to shew their fallacy. I beg leave to refer to the account of Tolls, and the manner and time of their receipt, to shew that the business of the season was broken; and they were but a fraction of what would have been received if the navigation had commenced early and could have continued uninterrupted. From this it will be seen, that, in the month of July, more than £1000 was received in Tolls. This is always a month in which there is the least transportation; yet, even this year, in which no expectation could be entertained that much would be done, with every engagement for the year against the Canal—if each month had been

equal to the one that is commonly of the least consequence, the income would have exceeded £8000; but, if the full season had been enjoyed, more than £12,000 would have been received, even at the present low rates of toll,—which are, for the whole of this large Canal, as low as those on the Burlington Bay Canal. It was thought advisable to put down the Tolls, for the purpose of inviting transportation, as low as possible. In some instances they have been placed unnecessarily low. This is not unfavorable to the ultimate hopes of the proprietors, but, in the present state of things, gives some plausibility to the statement of our opponents.

While we are thus struggling with difficulties—when even the smallest circumstances are seized with avidity to embarrass our operation,—the Legislature is called on to encourage and give additional strength to opposition by the incorporation of a monopolising Joint Stock Land Transportation Company, without affording equal facilities to the Canal Company or its friends. From such competition there cannot ultimately be anything to fear if the Canal should be supported so far that the assurance of one year's business may be given. The effect, however, will be injurious to the estimation of the value of the property until time shall prove that such competition against the Canal cannot be sustained. There is also another view in which it may prove prejudicial to the interest of the Canal Company, and one which I fear more than any other. There are some who are willing to support the Canal with any required aid if they can be assured of a direct return from Tolls; and are too timid to rely on the other advantages arising from Commerce, Population, &c.—which are, however, equally certain, and evident to those who reflect on them. But, without such reflection, or examination of the capabilities of the country to be improved, and an independent exercise of the understanding, such friends are often driven, by their fears, from sustaining the best measures, although they may pass to the ranks of opposition with great reluctance. All this support is lost through apprehension—when a confident declaration is made that another channel may be used to equal or better advantage. I have said before, and I repeat, I fear no rail nor any other road. I am not opposed to them; but, when used to our disadvantage, in estranging our friends, I cannot avoid feeling the injury. I do not recollect what amount has been expended in improving the Chippawa, and the cut across the Point, by which the place has been literally renewed. From this place, so renewed, most of the opposition and misrepresentations in relation to the Canal have emanated: The modicum of Toll charged for the use of our work has been resisted; and, for the whole of this portion of our expenditure, we have received nothing but injury from those benefited by it. But I will say no more on this subject, and proceed to the examination of other Questions connected with the Petition of the Directors.

Mr. Wright has said—"The money has been economically expended." We who are deeply interested are fully satisfied. It is true that there is no other work, proportioned to this in magnitude which has not cost more money.

Under unexpected difficulties, and the necessity for expenditure beyond original estimates and anticipated costs, (and even without such embarrassments,) the instances in which Government aid has been liberally given to works of this sort are frequent.

On the Continent of Europe they have been principally Government Works,—while, in England, they have been made by Joint Stock Companies, sometimes aided by the Government. In America they have been made by both the State Government and Joint Stock Companies;—the latter, in large projects when necessary, aided by the Local or State Government. The Union Canal in Pennsylvania, the earliest attempt in the State, was very liberally supported by public munificence; a guarantee of five per cent. dividend was made by the State to the Stockholders; and State Grants were made, by which the Company have realized more than 500,000 dollars. That State has, within 14 or 15 years, expended about 20 millions of dollars on works of this description. The Chesapeake and Ohio Canal Company has had a large Subscription from Washington City; and Capitalists in Holland have loaned to that City one million of dollars. The Chesapeake and Delaware Canal, with four Locks only, of the same size of those on the Welland Canal, has cost about £700,000: the distance is 16 miles. The estimates for this Work were as much below the actual costs as ours. The public aided in its completion; and, when unexpected difficulties were encountered, this assurance of ultimate safety enabled the Company to procure, on loan, what was necessary.

The Hudson and Delaware Canal was also the work of a private company—a boat Canal of small dimensions, depending for its support upon a mineral region only. In constructing that Canal, the cost also far exceeded the estimates; and the value of the Stock had become very much depreciated in market, when, on application to the Legislature of the State of New York, a loan of the credit of the State to the amount of 500,000 or 800,000 dollars was given to the Company in 1827:—and, this first loan being found insufficient, on a second application, in 1829, another loan of the same description, for 300,000 dollars more, was made to them. By this judicious and timely aid, the Canal was completed, and the price of the Stock increased to a premium above the par value, instead of being, as it was before, at a great discount.

In Great Britain also, the Forth and Clyde Canal was undertaken by a private Company; the work was abandoned for a time for want of funds; but the Government revived it, and aided in its completion by a grant, sufficient for that purpose, of £50,000.

We have indeed been aided by the Province in our undertaking; but I would, with the utmost deference, ask,—has the work been fostered in a way in which it could be sustained to the best advantage? Look at the manner in which its supporters have been assailed here. It has often been said, that Government has been deceived in the amount required to complete it. This is true; and so have the private Shareholders.

In the last representation in 1831, there was no such error. The wants of the Company were then freely exhibited; and, even with the disadvantage of the loss of an entire year in the use of the Canal by a public calamity, that exhibition embraced all that was quired. We have spoken of the immense resources of the country, and the great importance of this con-

meeting link of communication, until it is heard like the repetition of an old tale. Mr. Wright & the Commissioners have again drawn your attention to it. I shall not trouble you with my observations on this branch. I will now take the liberty, with your permission, to examine an objection I have often heard made—that these loans are a load on the province, and impair the power of making other important improvements. This is one of those financial objections which may be easily refuted: but even plain demonstration is often insufficient to convince of error. Unpromising, however, as this task is, the resources are so certain that I must not pass it without some examination. There is an evident distinction between debts incurred by the Government for improvements in the country, and such as are lost in the ordinary and extraordinary expenses thereof, where no such objection has been obtained. This *truism* has been thus named, because, in the reasons I have heard opposed to incurring a provincial debt for objects of improvement, the two have not been properly distinguished. They may both be equally important to the country; but one is a load upon its resources, and the other increases them. Objects of improvement, for which public expenditure is required, are also of many different kinds.

Those from which immediate income is derived, and which at the same time promote the general prosperity, are most desirable, and bear their own recommendation by every consideration of duty and sound policy. Yet local interests and preferences, personal animosities and attachments, combined with many others of the great variety of human motives, more frequently interfere with and embarrass such measures, than any other. Their very prospects, and certain beneficial effect, if completed, insure stronger combinations and more unremitted efforts to defeat them. One of the most diabolical and insidious passions by which our erring nature is cursed, (envy,) is not unfrequently the foundation and mainspring of the most violent and persevering efforts, thus made for destruction merely. Those who are sincerely desirous to promote useful public objects, without regard to their origin or supporters, must be closely watchful lest species sophistry, professed honesty, and affected fearfulness of public injury, so far mislead as to induce them innocently to do or permit an irreparable injury. These are the weapons by which men of strict integrity, unsuspicious of the motives of others, are too often successfully assailed. When all the advantages of a project or measure are fully known to those who are called to act on it, nothing need be apprehended; but, on very important questions, many who are required to act must necessarily be governed by the representations and arguments of others. Those should therefore look to the very source of opposition and support of a measure, in the absense of stronger evidence to test the accuracy of the alleged facts and arguments by which it is sustained. An object of improvement is proposed—its beneficial effect is first examined: in this all agree. Then, what are the means to accomplish it? Will it furnish its own income by making a return upon the outlay, by duty or toll imposed on its use?—or is the whole advantage from it an increase of the individual prosperity and wealth of the country? Under the last class of improvements must be placed public highways, bridges, harbours, &c. *(The Welland Canal Harbours have not indeed been so made,*—but in most cases they are and should be, sustained by the public funds.) The wants of the community, and the direct means to make such works, have been viewed by many cautious politicians as the only landmarks by which action upon them should be governed. In opening a road by public appropriation, no one in this country ever proposed making the person using it pay for that use by imposing a toll upon it. The cause of such forbearance is evident;—the very object in making it would be defeated: No settler could afford to use it; and the country must remain a wilderness. Canals have, however, been usually properly placed under the other class of improvements from which a direct return, or a part at least, of the outlay for their construction and support, should be expected, —because their convenience is demanded by the increased population and wealth of the Country after the first stages of settlement shall have been passed. The prospect of repayment from them by tolls becomes an object for preliminary examination. For the accomplishment of such objects, it has frequently occurred that Government has called in aid, and united with their measures individual attention, enterprise, and interest. The motives for this combination have been very various in different countries, and different instances in the same country. I only say such has often been the policy. I shall, before I close this communication, have occasion to refer to the relations and duties of the parties thus mutually interested. The question, whether a Canal will pay, once settled, its practicability proved, the work commenced and in progress, if undertaken by the public, a pledge that it shall be completed is thus given, which nothing but the positive want of ability should be permitted to violate. What is this ability? In what does it consist, and how may it be applied? I aver, with a consciousness that I am sustained by sufficient proof, that there is no territory or Government whose finances are better situated, whose resources are more certain or commandable, and whose country is better placed for profitable improvement, with the expectation of immediate return, than the Province of Upper Canada. I have been furnished with abstracts from reports, from which it appears that the revenue of the province for the last few years has been rapidly increasing; and although the expenditures have also increased, yet the proportion, except for such objects as must make a full return upon the outlay, has been no way equal to such increase of revenue. In the present year, including only a regular dividend on the Bank Stock, and the probable direct income from the various investments made for public improvement which produce a return, the amount of revenue will exceed £80,000, estimating the permanent expense at £30,000 exclusive of the interest on loans, and a more favourable state of things can scarcely be desired. I make this statement of expenditure more to draw attention, than with any pretension to a knowledge of its accuracy. Whatever the balance at present, or reasonably anticipated may be, that with the expected return from the outlay, forms the legitimate basis for the credit of a Government, and may advantageously be used for the extension and improvement of the sources of revenue. Thus it would appear that the Province now possess an income, the greater part of which is derived from a very moderate impost, of about £50,000 above all the necessary calls upon it, for disbursements of Government. The legal Pro-

vincial interest is 6 per cent. You have then a foundation for a fund for internal improvements which will bear hard on nothing, create not a penny more of taxation to the amount of £800,000. The result of such improvement, when made, is as certain, and founded on as fixed a law of society, as a flow of water is on a law of nature. If the improvement shall pay no interest on the outlay, except to sustain itself in repairs, the increase of the revenue will be in proportion to the population and wealth introduced and fostered by it. Thus the actual resources of the government and the state of the country are substantially improved. Is this result doubtful? Does not the policy and experience of every country in the world prove it?

In the United States, by the Federal constitution, all revenue from foreign commerce, has been transferred to the Federal government. The commercial intercourse between the States, by an inhibition in the same instrument, cannot be taxed. The subject of internal improvements has hitherto almost wholly been attended to by each state, within its own territorial limits only. Thus cut off from any reliance on an income which you possess, and many of them having no other advantage equal to yours, it may not be deemed irrevelant briefly to shew, how some of these States have viewed and appled their remaining resources. New York has constructed Canals throughout the state, incurred for them a debt of many millions, and in five years more, (fifteen years from the time of their completion) the whole debt so incurred with the interest, will be paid by the income from the interest itself. Many of the other States are also constructing similar works at their own expenses, to which I have before alluded, and they do not think themselves poorer in consequence of the debt created for them.

Pennsylvania and Ohio are expending largely, and New York is also extending her Canals. The comparison between your resources and any of these States, the most prominent and prosperous of the whole confederation, is much in your favor. The revenue from imposts and tonnage benefitted and increased by these very improvements, is not at all under their control. Yet they understand well the beneficial effects of such operations, and have no apprehension from any debt incurred for their construction; the works afford the means for paying the debt. The improvements you have now in contemplation, and those already made, present more favorable prospects for return than any other. There is no light in which they can be viewed, from which a stronger hope of return may not be entertained, than from any of those named. Instead of being a load, they may be made a source of additional revenue. The Welland and the Saint. Lawrence Canals, although distinct undertakings, are projects intimately connected in interest. Which should have been first made, is not now a question for discussion more than the particular termination of the Welland Canal at either extremity. It may be a subject of gratification to some, and regret to others; but it is done. I discuss the present and the future only. The past I have used merely in reference to the justice of the country, and as others may regard it in a different light, or see it through another medium, even that is done with the utmost deference to the opinions of disinterested men. The Burlington Bay Canal has been completed, and although its actual cost has been quadruple the anticipated sum, yet there is no doubt of its making an ample return of interest upon the outlay. It is comparatively a small work. Refer to your receipts of custom as exhibtied in the official accounts; look at the increased population and wealth in its vicinity; add to these the tolls received for its use; and I would ask, has not the country gained by its construction? Are you loaded with debt for it? or rather may it not with propriety be asked,—Is there any one so regardless of his reputation for intellect or ingenuousness, as not to acknowledge, that it has increased your revenue and aided in filling your Treasury? This is a government work and the 30,000 for its cost is acknowledged to be well expended. So in effect, although not in general acknowledgment, it is with the Welland Canal. Its partial use and anticipated completion have already reduced the rate of transportation for the benefit of your agricultural community more than two thirds. With regard to the value of property above the Canal, it cannot surely be necessary for me to use argument to shew that a man, the product of whose farm is worth more at his own door in consequence of the diminished price of transportation, is thus far an actual gainer by the improvement, and his farm itself more valuable in proportion to the amount thus saved in transportation and the product thereof. This is still the incipient and imperfect stage. I have before spoken of its tolls. It is impossible to limit the amount of transportation upon it except by its capacity to pass vessels. This is an opinion formed by every person acquainted with the extent and resources of the country. An examination of the map of the Province with a knowledge of the climate, soil, rivers intersecting it every where, and lakes by which it is almost insulated, is enough for any one open to conviction. The contemplated improvements on the St. Lawrence in point of advantage to the country, are second to no other projects; they are intimately connected in mutual interest with the Welland Canal and are decidedly links of the same chain. A very small portion of the productions of the country and merchandise would pay an interest in the outlay for the whole line of communication. I must here bestow a few words on a most singular argument on the use of the Welland Canal by American vessels. This is nothing less than that such use impairs the interest of the Canadian Farmer. I have before said that formerly one of the arguments used against its prospective productiveness was, that the Americans would never use it—but they do use it, and the ground is now changed. An important aid to the income of the Canal is derived from American industry and enterprise and in an approach to their own seaport. Nothing that they carry comes in competition with any article on your side, so far as the Canal is concerned. How then, I would ask, can such an assertion be entitled to any weight or even momentary attention? A vessel is cleared from the port of Oswego for Cleveland in Ohio, having on board merchandise and salt, and she brings back a return cargo of wheat, which is ground at the Oswego Mills, or sent to New York in the grain. In what way in the name of reason does this use of the Canal affect the interest of the Canadian, except that he and his country are benefitted by the tribute thus paid by the Americans for the use of a communication more convenient than their own, thus contributing to a return on the outlay and consequent advantage of the Province? If the produce shall be des-

tined for the Canada Market, or for the purpose of sending abroad, the Canal has nothing to do with it in any way, but it is a subject of commercial regulation entirely, and its effect may be commercially examined by others, more beneficially than by me at this time.

I have thus passed over in perhaps too hasty and desultory a manner, subjects of importance, but the shortness of the time allotted prevents my putting it in better order. I will now proceed to a brief examination of three propositions which have been presented for legislative consideration, in relation to the Welland Canal Company and its support.

The situation of the Company has been represented. It is now requisite that immediate measures should be adopted to prepare the Canal for early spring navigation. Engagements for transportation will soon be made, and longer delay may lose a great part of what will otherwise be sent through the canal.

The first Question is—shall aid for this work be given by the Government to the full extent of the sum required to put the Canal in a respectable situation, and restore the credit of the Company.

It is said the Government have already aided to an extent far beyond any sum anticipated, and the merits of the undertaking do not warrant any further advance.

Another ground taken in opposition, is, that the amount of repairs recommended by Mr. Wright is so large that the Government cannot do it, and that its means are not adequate.

The whole amount required to pay off the debts of the Company, and put the Canal in a complete state for use the next season, will be somewhat less than £60,000.

The Government and individuals are Stockholders in a joint concern. The Government has had its Stock represented in the management of the concerns of the Company by Directors of its own appointment. Every measure adopted by the Board of Directors has had the approbation of the Government Directors. Indeed, there is great satisfaction in being able to make the assertion, that no Board of Directors in any Company have appeared to me to act with greater attention to the interests entrusted to them, and with more unanimity, than the Directors of the Welland Canal Company, amidst all their discouragements and troubles.

The Government has always been satisfied with the course pursued by its Directors, When the accounts of the Company have been exhibited and examined by Committees of the Commons House of Assembly, their Reports have always expressed satisfaction with them, and been received. The Province has advanced large sums on Loan to promote the work, and holds the Canal for such Loans.

The private Sthckholders can never expect to receive any interest on their Stock, until these Loans are fully provided for. If they had means to aid by Loans, they could not do it except on the foundation of a subsequent lien, which might be endangered by the prior claims of the Government.

The greatest portion of private Stock is held by a few persons whose means have been exhausted by investing their property in the stock, and they are of course unable to aid any further.

The interest of the Government is great in the work,—I have shown that it has abundant means—and from all these considerations it appears to me almost necessarily to follow, that either in its Government character, to sustain a work of such importance, or as joint proprietor of Stock and partner with a prior lien on the property that effects shuts out the hope of aid from any other quarter, it would not be proper with a due regard to public faith to suffer the Company to die, and then claim the forfeited property.—Our case is however stronger than is above represented. That would be a parallel case of common partners with equal proportional participation in the profits; and yet the partner who had means and refused to aid in such an emergency, with the expectation of advantage from the embarrassment, could scarcely hope to retain a character for integrity.—Here however the Government has all the profit, and until the nett dividend shall exceed the interest of the debt and be sufficient to provide for the payment of the principal, the shareholders sustain all the loss. The improvement is in the land—An immense population and millions of wealth will be added, and the revenues of the Province greatly increased; yet the shareholders must wait, and perhaps loose all while the public is reaping its full harvest. This is not an imaginary representation—it is strictly true, and if it shall be deemed proper to act upon this proposition only, I cannot avoid feeling a perfect confidence that the requisite aid will be granted.

There is, however, an opinion very prevalent that it would be better that the Government should own this great channel for commercial intercourse. I entertain no apprehensions of the intrinsic value of the Stock, if we can once be placed on a footing to provide against any contingencies, and be enabled to give assurance that the Canal shall be kept in good order for a single season.

None of the accidents which have occurred have lessened my ideas of the intrinsic value of the property. I know the country by which it will be supported; and the result is inevitable. During the last season the Commissioners addressed letters to the different shareholders, with a request to answer on what terms they would sell their Stock?—All with whom I am acquainted preferred that an offer should be made, if it was the wish of Government to possess the Canal. They have never considered it worth less than what it cost, including interest. I have also seen two letters from Shareholders in England,—one from the Rev. Mr. Blacow of Liverpool, who appears well acquainted with the Canal and its reasonable prospects, and evidently possesses a degree of accurate topographical intelligence, which, for the proper estimation of its value to the proprietors and the country, it would be very desirable to see more generally diffused even here.

The other is from Messrs. Bosanquet, Pitt, and Company. Both letters hold the property in greater estimation than some of our Shareholders, but not higher than I do. I hope Mr. Merritt, to whom these letters have been addressed, may feel himself at liberty to submit such portions of them as are applicable. On this subject I have nothing further to say: It is a measure resting with Parliament. If no sufficient aid be furnished on such terms as the Company can take, it appears to me reasonable that arrangements should be made to purchase out a sufficient amount

of Stock,—to vest in the Government a control of the work.

If, however, a state of feeling shall exist, which cannot consider the resources of the country, and the abundant means it possesses to aid or purchase, in the light I have endeavoured to present it,—I would then submit, for the purpose of enabling the Directors to offer security on an unincumbered Canal, that the Government relinquish its interest therein on condition that the Stockholders put the Canal in good order, and keep it so. I would not name this proposition, if some gentlemen had not informed me that many members thought this measure preferable to any other.

I am,
With the greatest respect,
Sir,
Your obedient servant,
J. B. YATES.

No. 3.

REPORT
OF
GOVERNMENT DIRECTORS
ON THE
HYDRAULICS.

That by the Charter of the Welland Canal Company, the power to use the surplus water of the Canal, or dispose thereof for its benefit, is vested in said Company.

That certain tracts of land belonging to Government, lying along, and in the vicinity of said Canal, were, previous to the construction of the same, so wet and marshy as to be entirely useless and worthless; that in consideration of the probability that these lands would be reclaimed by the Canal passing through the tract, and the facility with which they might be thoroughly drained, a grant thereof was made by the Government to the said Company. The two tracts thus granted, amounting to 16,000 acres. In the latter part of the year 1830, on examining the situation of the property of the Company, not necessary for the navigation of the Canal and its use as a public work, the Directors thought it advisable to offer the whole for sale, including such parcels of land as had been necessarily purchased from individuals except what were required for the use of the Canal. The Board appear to the Committee to have acted in the prosecution of this plan with proper caution, and to have done every act requisite to give publicity to the sale, and procure proposals. The Committee have examined the Minutes of the Board, and find the following proceedings:—

"*October 26th*, 1830.

"At a Meeting of the Board of Directors, held this day at St. Catharines—

PRESENT:

A McDonell,
Robert Randal,
Henry J. Boulton,
W. H. Merritt,

"It is the opinion of this Board, that if an immediate sale of lands of the Company, together with the Hydraulic privileges, could be effected, it would promote the interest of the Company by the increased toll which must be brought on the Canal for the supply of the various machinery which will be erected, besides the indirect trade which must arise from the business thus created. The Board feel every disposition to promote this object; but as the amount of capital necessary to invest in machinery, &c., must exceed £25,000, to obtain an increase of 15 per cent premium, a sum beyond what the Company may command.

"*Resolved*, That J. B. Yates be empowered to effect a sale of all the lands and Hydraulic privileges now on or to be on the entire line of the Canal, including the route hereafter to be made to Lake Erie, reserving the entire management and regulation of the waters to the said Company, to preserve the levels throughout, and make, from time to time, such alterations as they may deem necessary for preserving or improving the navigation of or on the Canal —for the sum of £25,000, payable in ten years, with interest, payable yearly, from the 1st day of January next.

"And that the said John B. Yates may have the refusal thereof, for one year; the title to be given on payment of the principal, or any part thereof; and that a contract be entered into with him to that effect, provided the Directors unanimously approve of the measure."

November 3, 1830.

"At a meeting of the Board of Directors, held at the house of the Hon. J. H. Dunn, York.

PRESENT.

John Henry Dunn,
Henry J. Boulton,
William Allan,
W. H. Merritt.

"All the Resolutions made at the last meeting were confirmed, except the proposition of J. B. Yates, Esquire, which, having been taken into consideration, the Directors conceived they would assume too great a responsibility to close with the proposal, without having more information respecting the value of the property to be disposed of; and conceiving they would be rendering the Stockholders all the advantages the sale would possibly afford, by giving it the most extensive publicity—

"*Resolved*, That the agent be directed to advertise the sale thereof, stating all its advantages, in the newspapers of New York, Boston, and elsewhere in the States; and Montreal, &c., in the Canadas, for which proposals will be received on or before the first day of May ensuing."

In pursuance of the above Resolution, the following advertisement was published, for the full time, in newspapers in New York, Boston, Montreal, and other places in the Province, put up in hand bills, and distributed throughout the country.

"EXTENSIVE SALE OF THE WELLAND CANAL.

"Sealed proposals will be received, for the purchase of the land and Hydraulic situations on the entire line of the Canal, to be delivered at the Welland Canal office, on or before the 1*st day of March next*, at 12 o'clock.—The offers will specify the highest sum the purchasers are disposed to give, the principal payable in ten years, with an annual interest of 6 per cent from the first day of January, 1831; or the principal to be paid down.

"The LANDED PROPERTY consists—

"*First*—Of 4 acres of land at Dunnville, (Grand River, dam) on which a Grist Mill, Carding Machine, and three Saw Mills, are now erected on lease. This place is situated five miles from Lake Erie. It commands an extent of country of many miles; no stream leads into the Lake for 25 or 30 miles on either side of it; the river is level for 16 miles, and navigable for rafts, &c. 100 miles above in the spring and fall; and the banks abound with valuable timber and gypsum, of the best description.

"*Second*—15,000 acres adjoining the Canal, in Wainfleet and Humberstone. This land is situated on either side of the Canal, and is the richest soil in this part of the country.—A Village is already laid out in the centre of this tract, named Marshville, (now called Millton,) where there is a Mill privilege with 14 feet fall of water.

"*Third*—5 acres at and below the Aqueduct over the Welland River.

"*Fourth*—75 acres at Port Robinson, on which a Town Plot is laid out, and some lots sold.—It is a commanding situation, at the junction of the Canal with the Welland; having that river navigable for 30 miles above and 9½ below, where it intersects the Niagara.—It is pleasently situated, and will have a daily line of Packets the ensuing season passing to and from Buffalo and the Grand River dam.

"*Fifth*—70 acres at Allanburgh, (foot of the deep cut) on which a Saw Mill is now erected.—This will also be a commanding situation from the Hydraulic power it possesses; being the first fall where the water can be used for the purpose of machinery, and afterwards brought into a lower level of the Canal. A village is already laid out at this place; and from its being surrounded by a rich and populous country, there is every reason to anticipate a rapid growth.

"*Sixth*—100 acres at the Reservoir near the village of Thorold. There is a Grist Mill containing 4 run of stones, erected in this place, (the only mill privilege on the line of the Canal actually disposed of,) and two Saw Mills are building.

There are likewise in operation a Saw Mill, with two Saws, near Centreville; a Grist and Saw Mill, Pail Factory, Turning Lathe, and Furnace, at and near St. Catharines; and a Saw Mill at Port Dalhousie. A Dry Dock for repairing Vessels, is also erecting at the 2nd Lock from the Harbor.

As this is unquestionably the most important and extensive sale ever offered of a similar description in the Western part of America, no individual or Company will propose to purchase without a personal examination: it is, therefore, only necessary to give a brief outline of the advantages which it possesses:

HYDRAULIC SITUATIONS.

The Niagara peninsula, which separates Lakes Erie and Ontario is composed of two table lands; the first extending from Lake Erie to the mountain ridge, running in a line from Niagara Falls as far up as Paterson's Creek, (Long Point) a distance of 90 miles, including the Townships of Bertie, Willoughby, Crowland, Humberstone, Wainfleet, Moulton, Canborough, Walpole, Rainham, and part of Woodhouse; and on the opposite side of the Welland River, Stamford, Thorold, Pelham, Caistor, Gainsboro', and Binbrooke. The second table land below the mountain ridge, continues from Niagara to Dundas Creek at the head of Burlington Bay, a distance of about 60 miles, comprising the townships of Niagara, Grantham, Louth, Clinton, Grimsby, Saltfleet, and part of Barton.

The River Welland being almost a dead level, and running parallel with Lake Erie, through nearly the centre of this peninsula, there is not a single stream affording a continual or steady supply of water for an extensive flouring establishment, within the territory above described, except the Grand River. It is bounded by the Niagara River on the one side, and by Patterson's Creek, (which empties into Lake Erie,) and Dundas Creek, (a tributary of Burlington Bay,) on the other, both of which are durable streams of considerable power.

"The Western country above this, to a great distance, and the American side opposite, are likewise destitute of water privileges, to any extent; and this is the nearest and most convenient point to which their Merchants and Traders can resort for manufacturing purposes, on a scale commensurate with their wants. It is not necessary however, to take so extended a view of the advantages and importance of the hydraulic power on the line of this Canal. A similar instance in the State of New York, will suffice for example. The small stream leading from Crooked to Seneca Lake in the County of Yates, only six miles in length, has already Flouring Mills erected upon its banks within sight of each other the whole distance, and no one contains less than three run of stones. Here, the country generally is in a good state of cultivation, and the soil and climate peculiarly adapted to the growing of wheat; consequently, an immediate and increasing demand exists for the erection of Mills and machinery of every description.

"The extent of water power is unlimited. The principal situations on the first level are at the Grand River dam, (the point where the Ship Canal will hereafter enter Lake Erie;) at Marshville, at Robinson, and at Allanburgh, where the first descent takes place.). The next are at Thorold, (where the water is brought round four Locks.) From thence it passes half way down the mountain in rear of the Locks; it then crosses the Canal, and is taken to St. Catharines on the other side, in a distinct raceway or ditch.—Thus, in the whole descent of 346 feet, the water may be used for machinery, on each level successively, wholy independent of the Canal, so that the works will not be liable to interruption even should the water be drawn off the main levels for the purpose of making repairs.

"To make this purchase profitable, it will be necessary to expend a large amount of capital, immedi-

ately; therefore, no application will be received unless the parties shew, to the satisfaction of the Board that they can command the means to effect the designed objects.

By order of the Board of Directors.

"(Signed)
"WM. MAMILTON MERRITT,
Agent."

"WELLAND CANAL OFFICE,
St. Catharines, 8th Decr. 1830."

After the expiration of this time, and giving a full opportunity for proposals by waiting some time longer, on the 11th May 1831.

At a meeting of the Board of Directors held this day at St. Catharines,—

PRESENT:

The Hon. John H. Dunn, *President.*
Alex. McDonell, *Vice President,*

Hon. William Allan,
H. J. Boulton,
Robert Randal,
John Warren,
W. H. Merritt,
} *Directors.*

Whereas public notice having been given, that proposals would be received for the purchase of all the real Estate and Hydraulic privileges belonging to the Welland Canal Company, and no proposal having been received so advantageous as the one by Mr. Yates, it is therefore—

"*Resolved,* That the proposition of Mr. Yates, be accepted, and that a contract be executed pursuant to the terms thereof, the interest on which is to commence on the 1st day of January, 1832, with the principal payable in ten years."

2nd June, 1831.

At a meeting of the Directors, held at the Welland Canal Office,—

PRESENT:

The Hon. John H. Dunn, *President,*

Willliam Allan,
A. Macdonell,
Robert Randal,
Thomas Butler,
John Warren,
} *Directors.*

"*Resolved,* That a Surveyor be employed to designate and establish the boundary of the Canal throughout, under the direction of Mr. Macdonell, who will submit the plan of the same for the sanction of the Board, as soon as completed.

"*Resolved,* That a deed of the above lands be made out to Alexander Macdonell, Esq., at the request of J. B. Yates, Esq., he not being authorised to hold real estate in the Province; and that a Bond and Mortgage be made out and executed by Mr. Macdonell, for payment of the consideration and interest and that Mr. Yates execute the Bond with him."

On the 20th June, a Resolution was passed appointing Mr. George Keefer, Junr., to make the survey pursuant to the resolution of 2nd June.

The whole transaction appears thus to have been conducted, with due deliberation and the most proper exertions to procure as large an offer as could be obtained.

From the Resolution passed on the 2nd May, 1831, the Committee inferred that the Board of Directors did not consider the former offer of Mr. Yates, to purchase properly under their consideration. On inquiry it has been represented to the Committee, that it was so far beyond any offer that had been received, that the Board desired a renewal of it if he was still willing to purchase.—It appeared also, that the sum named at the first meeting was considered more as an expression of his own confidence in the actual value of the property, than a desire to become a purchaser, being a sum far beyond the then estimation of any other person except Mr. Merritt, by whom the committee has been informed that he had not the least doubt, with the expenditure of a capital upon it, in the hands of active and enterprising men, the property would be very valuable. He was desirous to sell, because he thought the country and company would derive more benefit from it, than if it remained in the hands of the Company. In order to enable Mr. Yates to induce other men of capital to unite with him, he gave his opinion of the prospective value of the property.

Owing to various causes which have at different times been stated in public documents, the navigation of the Canal and the improvements on it have been procrastinated: and although a large sum of money has been expended by the purchasers yet the discouragements have hitherto prevented the advantages that otherwise would have been received from the outlay.

The Canal now being completed, the actual value of the purchase is fully perceptible, and the prospect is good, that the Hydraulic Company, (as the purchasers with Mr. Yates have called themselves) will be amply paid for their outlay, enterprise and attention.

During the last year, an unexpected inconvenience has been experienced from the use of the water in many places; and inasmuch as some sacrifice on the part of the Hydraulic Company, of a portion of the water power, where they have expended large sums in improvements, must necessarily be made, to sustain an advantageous head of water in the Canal; and serious differences of opinion may exist in relation to the manner of regulating the use of the water at such places, it has been deemed expedient by the Committee to open a negotiation for the repurchase thereof by the Welland Canal Company.

Much of the expenditure of the Hydraulic Company, has been in an endeavour to drain and improve the value of the large tract of land in Wainfleet and Humberstone, in which they have been so far successful as to make it evident that the whole tract must become very valuable. The Hydraulic Company have offered to reconvey all the property with their expenditure upon the whole improvements, in consideration of a discharge of the Bond and Mortgage, and that the Welland Canal Company give their bonds for £25,000, payable in 1874, with 6 per cent. interest, one half semi-annually.

Although the Committee are of opinion that the whole property is now worth rather more than this sum, yet considering the relative situations of the parties, they thought the Hydraulic Company should not look for a full compensation for the actual value of the property; but be contented with a liberal compensation for their attention and hazard, and an ample return for their outlay and profit upon it.

In this view, the committee did inform them, that they would recommend, on the reconveyance aforesaid, the issue of the obligations of the Welland Canal Company on the terms named, for £17,500—in answer to which the committee was informed that this offer would be taken, with the exception of the small portion of the property at Allanburgh, and the water at the Locks there, and the lot lately granted at Port Colborne for which the Hydraulic Company agreed to pay the Welland Canal Company semi-annually, a sum which together with the annual rents and the interest on sales of the aforesaid property to be by them re-conveyed, shall be equal to the interest on the aforesaid sum of £17,500, due on the bonds given for the repurchase of the same.

In this view which the committee have taken of the actual value of the whole of this property, and with the conviction they have that the Welland Canal Company should re-possess it, and at the same time do ample justice to those gentlemen who have made the utmost efforts in their power to improve it.

Your Committee recommend to the Board of Directors the acceptance of the latter offer.

All which is most respectfully submitted.

(Signed) CHARLES DUNCOMBE,
WM. ELLIOTT,
WM. CHISHOLM.

Welland Canal Office, 7th June, 1834.

No. 4.

AGREEMENT

MADE WITH J. B. YATES, ESQ

Articles of agreement made this ninth day of June, in the year one thousand eight hundred and thirty four, between the President and Directors of the Welland Canal Company and Alexander McDonell, John B. Yates, and Ogden Creighton of the second part.

Whereas the Welland Canal Company have heretofore sold to John B. Yates the real estate and Hydraulic power belonging to said Company for the consideration of twenty five thousand pounds, as the same is more particularly described in a Deed from the Welland Canal Company to Alexander McDonell, who holds the same for the party of the second part. And whereas the said Alexander McDonell executed a mortgage for the said consideration money, and accompanied by a bond as collateral for the same amount, payable in ten years from the first day of January eighteen hundred and thirty two, with the interest thereon, payable yearly on the first day of January. And whereas, further, it has been thought advisable on the part of said Company to repossess the greater part of said property so as to enable the Company more fully to control the operations on said Canal. It is therefore agreed by and between the parties aforesaid, in consideration of the sum of seventeen thousand five hundred pounds, the said Alexander McDonell shall re-convey to the said Welland Canal Company all the aforesaid hydraulic power and real estate, except the part lying on the mountain near the east end of the summit level, at a place called Allanburgh, and the lot and property at Gravelly Bay, and also that the said Alexander McDonell execute to the said Company a conveyance of such property as may have been purchased by him near the village of St. Catharines from Oliver Phelps, together with an assignment of all obligations yet due and unpaid, and all leases for property or water power sold or leased, or all other portions of said property except that reserved at Allanburgh as aforesaid. The said conveyances to be executed when required by said Company after the following conditions shall be complied with. The said Company on its part, agrees to execute in due form of law, a discharge of the Bond and Mortgage aforesaid and issue also when required the Notes or obligations of the Company, for seventeen thousand five hundred pounds, in sums of two hundred and fifty pounds each, payable in the year eighteen hundred and seventy four, on the first day of January, bearing an interest of six per cent per annum, payable half yearly on the first days of July and January, at the Office of the Welland Canal Company, to commence running on the first day of January last. The said obligations shall be drawn payable to the order of Alexander McDonell and indorsed by him, the Seal of said Company being first impressed thereon and signed by the President of the said Company, and countersigned by the Secretary, and that the same be then transferable by the holder thereof as shares of the capital Stock in said Company are now transferable, except that an endorsment by the holder thereof shall be a sufficient evidence of transfer instead of a regular power of Attorney—That a separate book shall be provided for the entry of such transfer.

It is further agreed that if in consequence of any legislative alteration of opinion heretofore expressed in relation to such an arrangement the legislature shall at their next session, by resolution, express an opinion that such repurchase is not necessary, the said Welland Canal Company shall be desirous to rescind this agreement now made and shall within three months thereafter give due notice thereof to the party the said party of the second part stipulate in case the property shall be placed in the state in which it now is they will consent to such a measure and will return to the Welland Canal Company all the bonds or obligations which shall have been issued and received as aforesaid.

And whereas the income from the property thus reconveyed and sold to the Welland Canal Company may not equal for a short time the semi-annual interest on the obligations, the said party of the second part agree that if the amount of reserved rent money received or sales and proceeds of sales of timber or any product of the land shall not equal the semi-annual interest on the obligations aforesaid they will pay an amount sufficient to pay such deficiency to the Treasurer of the Company by way of rent for the property and water at Allanburgh and the lot at Gravelly Bay.—In Witness whereof the said Welland Canal Company have caused the seal of the said Company to be affixed to this agreement and signed

by the President—and the said party of the second part have set their hands and seals at the Canal office in St. Catharines on the day and year aforesaid.

Signed, sealed, and delivered in presence of

WM. H. MERRITT, [L. S.]
President, W. C. C.
A. MACDONELL, [L. S.]
J. B. YATES, [L. S.]
OGDEN CREIGHTON, [L. S.]

Interlined before execution—2 Page—between 5 & 6 lines from top—The words "and the lot and "property at Gravelly Bay."

3rd Page, 18th and 19th lines from top—"The "Legislature shall at their next session by resolu- "tion express an opinion that such repurchase is not "necessary."

And between lines 20 and 21 from top—3d page —the words—"And shall within three months there- "after give notice thereof to the party."

JOHN CLARK.

No. 5.

REPORT

OF THE

BOARD OF DIRECTORS, FOR 1834.

To the last official Report made by the Board of Directors, on the 1st of March 1833, they beg leave to refer the Stockholders and those interested in the state of the Welland Canal.

During the same year (Oct. 3,) a Report was made by Benjamin Wright Esq., a celebrated American Engineer, employed by order of the Legislature, who examined the entire Canal and recommended various improvements on a scale commensurate with the extent of country connected therewith. On the 7th December a general Report was published by Commissioners appointed by the Legislature, W. B. Robinson, J. Macaulay, and Absalom Shade Esquires; and on 30th June the Report of a Committee of the Commons House of Assembly of this Province, accompanied by a Letter from J. B. Yates Esqr., one of the most extensive Stockholders, containing a great variety of information on the subject of the Canal, and the different opinions then entertained respecting it, were also published—which Reports were forwarded to our different Agents for the information of the Stockholders generally—in consequence of which the Directors deemed it unnecessary for them to publish any further Report for that year.

The Directors regret being unable to announce to the Stockholders the final adjustment of all claims for lands, damages, &c., in consequence of the Arbitrators appointed by the Legislature not having found it convenient to meet for that purpose. It is hoped provision will be made the ensuing Session to avoid further delay. They have endeavored during the past season to carry into effect the measures recommended in their Report of 1833; although from the late period when aid was afforded by the Legislature little progress could be made before the navigation commenced. Every part of the work (which could be prosecuted without interrupting the navigation) has been completed; Grand River dam thoroughly gravelled, and a plentiful supply of water thereby secured. The piers at Grand River Harbor have been extended and filled, which renders that Harbor as extensive and commodious as any on Lak Erie.

The piers and Harbor at Port Colborne, the commencement of the Ship Canal on Lake Erie, are nearly finished, together with the Light House, and placed in a state of security.

Contracts are entered into for extending the Lock at Port Colborne to 125 feet in length—widening the Canal from thence to the rock, six feet—and cutting a Basin for vessels to pass or turn on the North side of the Lock at the Harbor—for deepening the rock excavation at the curve on the new route twelve inches—widening the Canal from the Junction to Port Robinson—making a guard gate at Port Colborne, and one at the Junction—a Culvert at Hall Davis' level—and deepening the Canal from one foot to eighteen inches from Campbell's Lock to Davis' basin, and the cut from Marlatt's level to Lock No. 35 in Thorold—and for extending the West pier at Port Dalhousie in a line with the East.

Also, for deepening and widening the feeder from the junction to the curve, and cutting basins every half mile for the passing of Steam Boats—making a culvert at Broad Creek, and extending the berm bank from thence to Cranberry Creek,—all of which are now in a rapid state of progress.

To effect these objects great sacrifices were indispensable. The Canal had to be closed as early as the 15th November, of which due notice was given, and consequently the loss of the greater part of the Fall business has been unavoidable.

It was gratifying to the Directors to witness the readiness with which those interested in the trade entered into their view, and relinquished the remaining business of the present year to ensure an early transit the ensuing season.

The public are generally aware that one of the most prominent features in this Canal is the opening of the navigation before the lower part of Lake Erie is clear of ice; an advantage which, up to the present moment, for want of means, has never been realised, though the nature of the work decidedly admits of it.

The Directors have named the first day of April of the ensuing season for opening the Canal—and they are resolved that the improvements now in operation shall not interfere with that determination. To encourage emulation for an early transit, the Board have offered a premium of one hundred dollars to the Captain of the first vessel over fifty tons burden, which may arrive at Port Dalhousie laden with merchandize from New York, destined for any port on the upper Lakes—and one hundred dollars to the Captain of the first vessel over fifty tons burden, which may arrive at Dunnville on Grand River with produce from Cleveland, or any port above it, destined for New York market; and as they believe an interchange of commodities may take place between New York and ports on the upper Lakes by this channel in ordinary seasons, one month earlier

than by way of Buffalo. They will also give the same premiums to the first vessel over fifty tons burden which may arrive at Port Dalhousie from either Prescott, Brockville, or Kingston, laden with merchandize from Montreal market destined for the British ports on Lake Erie; or at Dunnville from Port Stanley or above it.

The uninterrupted navigation of the Canal throughout several months of the past season has afforded the utmost confidence to all those interested in it; and owners and masters of vessels are now fully satisfied that both a profitable and certain business may be transacted through it. In proof of this, the Directors are advised of twenty new vessels of the largest class being in course of building on the American side, purposely for this trade.

There is also a degree of activity prevailing in the ports on our own side not heretofore witnessed.—Vessels are building suited to the double voyage, which cannot fail to give an impulse to the Western parts of this Province, where it has hitherto been much required.

An opening has also been made into the interior of one of the finest portions of the country through the exertions of the Grand River Navigation Company. This improvement will in effect extend the Welland Canal to Brantford on the Grand River, and afford the means of a cheap and ready conveyance for all the produce and merchandise within the influence of that noble stream, and the country west of it.

The period has at length arrived when the inhabitants of the Province begin to realise the advantages of this undertaking; and a general desire prevails to make it a Provincial work. This measure was strongly recommended by the late Commissioners, and the principal obstacle to its accomplishment during the last session of the Legislature, appeared to be the sale of the Hydraulic works. The first proceeding of the Directors appointed by the Legislature was to enter into a negotiation with the proprietors for a repurchase of this property, which has been effected.

The Directors deem it unnecessary to enter into either a general or detailed statement of the advantages derived from the Welland Canal, or the impetus it has been the means of giving to other improvements. The public opinion regarding it has been fully expressed in the various addresses and resolutions of the House of Assembly to the Home Government and the Legislature of Lower Canada; and its importance is now very generally felt and acknowledged.

The last session of the Provincial Legislature increased the Capital Stock of this Company to £250,000, and authorised the subscription on the part of the Government of £50,000, for the purpose of paying off the debts of the Company and putting the Canal in a state of repair, which has been, and still is, in progress.

The total expenditure on the Canal up to Nov. 1833, was.....	£362,478	1	0¼
By the Commissioners during that year, on account of Stock taken by the Provincial Government.	7,500	0	0
By do. out of the funds of the Company.....	253	11	5
During the present year, 1834, including payments of old debts.	40,847	14	6¼
	£411,079	6	11½

There has passed through the Canal the present season, 570 Schooners, 334 Boats and Scows, and 66 Rafts—the amount of tonnage of which is 37,927—and the following quantities of produce, merchandize, &c. &c.

1,297,892 feet of Lumber.
307,963 Pipe Staves.
84,092 West India Staves.
94,380 cubic feet of square Timber.
5,939 Saw Logs.
264,919 bushels of Wheat.
27,702½ barrels of Flour.
23,422½ barrels of Pork and Beef.
59,641 barrels of Salt.
3,216 bushels of Potatoes.
223 bushels of Oats.
200 bushels of Corn.
382 barrels of Whiskey.
530½ barrels of Lard.
1,694 kegs of Lard.
46 kegs of Butter.
96 barrels of Ashes.
44 hogsheads Tobacco.
127 kegs Tobacco.
145 boxes Glass.
105 barrels dry Fruit.
59 barrels Nuts.
201 barrels Apples.
6½ barrels Fish.
20 empty barrels.
93½ barrels Bacon and Hams.
2½ tons Bacon and Hams.
399¾ tons Coal.*
77 tons Gypsum and Plaster.
117 barrels Ground do.
94 tons Pig Iron.
338 tons Castings.
30¾ tons Grind Stones.
2 tons Mill Stones.
4½ tons Furniture.
9 tons damaged Rope.
2 tons Bran.
2 tons Hay.
4 tons Hides.
5 tons Bagging.
2½ tons Horns.
8 cwt. Sheep Skins.
60,500 Shingles.
65 barrels Onions.
16 barrels Beer.
47 barrels Cider.
4 barrels Crackers.
22 barrels Oysters.
3 barrels Vinegar.
1 barrel Pitch.
30 Ploughs.
25 casks Cheese.

* This article is found in abundance adjoining the Ohio Canal; it is the first attempt to introduce it on the shores of Lake Ontario. The increase of this trade can be readily realised by those acquainted with our climate.

28 barrels Grease.
6 bags Feathers.
1,000 Rails.
29 small Packages.
1,880¼ tons Merchandize.

The amount of Toll in 1832 was...	£,2432	7	8¾*
" " in 1833.....	3,618	1	7¾*
And in 1834.....	4,300	8	5¾

Although the income of the Canal during the present season does not present the same ratio of increase with the former, the difference is chiefly to be ascribed to the early close of the navigation and decrease of business in the months of June and July, owing to the total interruption in the navigation of the Ohio Canal. Notwithstanding which our staple articles have been greatly increased, viz. :—

	1832	1833	1834
Barrels of pork.....	5422..	9611 ..	23422½
Bushels of wheat.....	155170..	229675 ..	264919
Number of staves.....	146136..	161792 ..	392055
Feet of square timber..	75992..	30942 ..	94380
Barrels of salt.....	34546..	46552 ..	59694
Tons of merchandise..	1032..	1323¼..	1880¼
No. of Schooners passed	240..	433 ..	570
No. of boats & scows..	175..	287 ..	334

The unexampled increase of commerce on the Western waters has for some time arrested the attention of the different State Legislatures adjacent thereto.

It appears that in 1814 there was but one Steam Boat on the Mississippi river—in 1833 they numbered 315. The increase on Lake Erie, including vessels, is nearly in the same ratio. The Legislature of the State of New York gave the first impulse to the commerce on Lake Erie, by the construction of the Erie Canal; and as a just and natural consequence are now reaping the earliest reward, by conveying the greater part of its products to the Hudson.

The Legislature of the State of Pennsylvania are making the most gigantic efforts to divert a portion of this commerce to the Delaware; they have already constructed a Canal of much larger dimensions than the Erie—(with the addition of a Rail road over the summit of the Allegany Mountains)—to the Ohio river, from whence they intersect Lake Erie at the Town of Erie, Pennsylvania. No obstacle appals them—the highest mountains, the deepest valleys, the most precipitous descents, the most ungovernable rivers, are surmounted; and although an expenditure has already been incurred by the State of nearly $30,000,000 for various improvements, experience proves, from the returns made by those portions already finished that they are warranted to proceed.

By a report of Mr. Mercer, Chairman of the Committee on Canals and Rail Roads, published 24th. June last, the construction of a ship Canal between lake Michigan and the Mississippi, by the Illinois River, is strongly recommended to the consideration of Congress. As this is a project in which the inhabitants of the whole Continent of America must feel a mutual interest, we copy the report of C. Gratiot Esq. Chief Engineer. (See Appendix to this Report, A.)

It may not be generally known that it requires a Canal of only 27 miles to connect the Ocean with Lake Ontario—28 miles to connect Lake Ontario to Lake Erie, and 92 miles to connect Lake Michigan with Illinois river, (the summit of which is but 27 miles,) requiring only artificial ship or steam navigation of 147 miles to connect the Gulphs of Mexico and St. Lawrence through the interior of this continent. We also insert an extract from the Report of B. Wright Esq. on the St. Lawrence (See Report Appendix marked B.) which cannot fail to impress on the minds of those concerned the decided advantages which must arise to the public by constructing a canal at this point on the enlarged dimensions.

Although the inhabitants of these Provinces have witnessed the entire loss of the Western Trade, with a degree of supineness not to be satisfactorily accounted for, it is cheering to know that the Legislature of this Province have commenced the improvement of the St. Lawrence on a scale commensurate to the objects. The Locks are 200×55 feet, with nine feet depth of water. It is to be hoped measures will be adopted the ensuing session to continue this scale through the Lower Province; which will in effect make those interior waters a sea coast, and extend the commerce of the St. Lawrence beyond the most sanguine expectations of those who may now be considered enthusiasts.

The difficulties and expense of navigating the St. Lawrence are far greater than is generally supposed. The amount of trade or commerce through that channel is a mere bagatelle compared with what is directed to the New York market. It appears that 264,919 bushels of wheat were conveyed through the Welland Canal last season; of which only 18,464 bushels came from our ports on Lake Erie, and 22,170 from American ports destined for Montreal Market; and the remaining 224,285 were conveyed to Oswego; whereas if the St. Lawrence were made navigable it would be difficult prescribing bounds to the quantity which would be diverted by this channel to foreign markets, or the quantity of merchandize in return for the supply of the Western Country. It is supposed that merchandise from London would be conveyed to Cleveland for £2 10 per ton, which now costs £3 to £4 from Montreal to Prescott, a distance of 130 miles.

Although the expense of the Welland Canal has far exceeded the amount contemplated, the Directors have still every confidence in the belief that it will ultimately prove a profitable investment. From the information received from those interested in this line of communication, and the state in which the Canal will be placed at the opening of the navigation, they have every reason to estimate the tolls for the ensuing season at £12,500; and from the rapid increase of population in the extensive regions connected, its favorable location, and consequent cheap-

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* The amounts here stated are greater than those to be found in the Journals of the House of Assembly, because the Returns were made before the navigation closed.

ness of transit, they may fairly look forward to a progressive increase for many years.

Wm. Hamilton Merritt, *President.*
Alexander McDonell, *Vice President.*

Ogden Creighton,
Thomas Butler,
Wm. Chisholm,
Wm. Elliott,
Charles Duncombe. } Directors.

WELLAND CANAL OFFICE,
St. Catharines, Jan. 7, 1835.

APPENDIX TO FOREGOING REPORT.

[A.]

REPORT

OF

C. GRATOIT, ESQ., CHIEF ENGINEER.

To the Chairman of the Committee on Canals and Rail Roads in the Congress of the United States.

ENGINEER DEPARTMENT,
WASHINGTON, *June 6th*, 1834.

SIR,

I have had the honor to receive your note of the 16th ultimo, respecting the contemplated canal to connect the Illinois river with Lake Michigan; and regret that almost perpetual engagements have not allowed me to reply to it before. There is nothing on the files of this department relating to this work. A survey of the route was made some time since, and I believe an estimate, but they are lodged in the Topographical Bureau, to the chief of which I beg leave respectfully to refer you. You have been pleased to ask my view of making this a steam boat canal and I take great pleasure in giving them, altho' want of sufficient data will not permit me to enter into any thing like detail, or to aim at argument in the ideas which I shall offer.—This subject has long since attracted my attention: as it has indeed, that of every person who had reflected upon the rapid developement of the resources of the country thro' which it is proposed to carry this canal.

By an inspection of the map of the United States, it will be perceived that a connection between the two great valleys of the U. States must be created at various points to enable the people who inhabit them to carry on with each other, and with those of the Atlantic States, the extensive intercourse that must subsist between them at no distant day. New York and Ohio have, by their canals, contributed largely to this Union, the canals and rail roads of Pennsylvania, the Chesapeake and Ohio canal, and Baltimore and Ohio rail road, though as yet in their incipiency, have the same object. But of all the projects having this great design that which contemplates the union of Lake Michigan with the Mississippi by the Illinois River, is, without doubt, both on account of the ease with which it may be accomplished, and the vast extent of navigable waters it will connect the most important. Its effect will be to unite the St. Lawrence with the Gulf of Mexico; to create a dependance founded upon mutual interests between the vast territory watered by the Mississippi, with its extensive tributaries, and that bordering on the Lakes and the St. Lawrence.

There would seem to be, in a position such as this, and to accomplish objects so vast, no question as to which of the usual means, rail road or canal should be resorted to. The exclusive character of the first; the repeated handling of the commodities transported over it, always attended with expense; the complication of machinery, and the consequent liability to accident and detention as well as the principle of rapid decay, inseparable from the materials used in its construction, seem to offer to my mind objections not to be overcome. A Canal, on the contrary, would afford facilities commensurate with the great thoroughfares it would connect, and the vast amount of product afloat upon them during a greater portion of the year, or in waiting upon their shores. It would be alike open to the merchant with his accumulated products of every region from the Yellow Stone to the Sabine, from Lake Superior to Quebec, and to the humble farmer upon its very margin with the less valuable, though to him equally important returns from his little farm. Besides nature herself seems to have contemplated this mode of connexion. The great basin of the Lakes, except at its edge, is higher than any point over which the Canal will have to pass, and presents the appearance of a great reservoir, specially designed to furnish in superfluous abundance the great desideratum of works of this kind. A writer well acquainted with the features of that region of country, observes, in the North American review, vol. 26, page 361: "There is not perhaps on the Globe a place where such a mighty Physical revolution could be produced with so little human labor as by opening a communication between Lake Michigan and some of the upper tributaries of the Illinois. The Des Plaines which is a considerable stream, rises in the country between the Mississippi and Lake Michigan, and pursuing a southerly course approaches within twelve miles of the Lake. The intermediate Land is a level Prairie, stretching in every direction as far as the eye can reach. Its extreme elevation above the lake is 17 feet, and that feeble barrier is all that is interposed between this mighty mass of water and the rich valley of the Mississippi, which it overhangs like an avalanche on the summit of the Alps." Such is the country over which this improvement would have to be made.

Commencing at the junction of the Rigolet with the Chicago River, it would pass by an easy single cut through this barrier for a distance of 27 miles, with an average depth of about 20 feet, where it would reach a point in the natural surface of the ground 10 feet below the usual level of the Lake; from this point, it would make the right bank of the Illinois, and enter the stream at the mouth of the Fox or Vermillion River, passing, in that distance of 62 or 65 miles over an almost uniform gentle, and unbroken slope of $2\frac{1}{4}$ feet to a mile. The fine valley of the Illinois is skirted by steep and prominent bluffs: those of the right bank being so uniform and running in a direction so well suited to the purpose, as to give reasonable hopes that the Canal may be made to wash their base, and to rest upon the natural surface, thus affording the great advantage, with such a supply of water as may be drawn from the Lakes, of increasing its width to any desired extent, at

no additional but rather diminished extent. The question here presents itself, what should be the dimensions of the Canal?—Should they be limited to the present wants of that region of country?—Or should they be determined by the admonitions furnished by experience on the New York Canal, where the unfortunate mistake in its dimensions is so frequently and severely felt as to have given rise to the project of a ship canal to subserve the same purposes, and the data to be drawn from the heretofore great and rapid increase of population along the shores of the Lakes and those of the upper Mississippi?—I think the latter; and when we look to our experience on the Lakes and see how great has been the spirit of enterprise created by the facilities of intercourse afforded by the comparatively trifling improvements on their southern shores it really seems that the trade must soon justify almost any dimensions that can well be given. I should therefore recommend most emphatically, that, from the Lake to the termination of the single cut the width should be 200 feet, and the depth 10 feet; and from this latter point to the debouche into the Illinois, the minimum which should be 100, and the depth at least 6 feet; this would enable the steam and other crafts navigating the Lakes and the Western Waters, to approach a common point, and afford accommodation during the operation of transferring or exchanging cargoes. You are aware that the surface of the Lakes is subject to periodical fluctuations; this reach of 26 miles, 200 feet wide and 10 feet deep, would effectually provide against any inconvenience that might otherwise arise from this cause.—It would, besides, readily afford all the water required for Lockage in the lower section of the Canal, without creating a sensible current on the summit. By this arrangement, the supply of water would be constant and most abundant, however great the draught might be; and would be divested of sediment so common to small streams, particularly in times freshets, and which makes them so objectionable for the purpose of feeders.—The Des Plaines should, therefore be diverted from its present course, and made to discharge itself into the Chicago River; this would moreover be attended with the precious advantage of keeping open the entrance to the harbour at the mouth of the latter stream by increasing the volume and velocity of the water which passes through it at certain seasons.—I regret that I have not the means of submitting an estimate of the cost of this great and important work; but I feel justified by the history of that country, and my own observations as I passed through a portion of it last summer, in saying that, cost what it may, the wants of the people of that region, and those inhabiting the great valleys referred to, will, ere leng, require its construction, and to the magnitude here proposed. The map which will be handed to you by the bearer is one prepared for my private use; I have sent it, believing that it may afford you some assistance; and allow me to request that you will be pleased to return it as soon as you shall have no further use for it.

With great respect,
Sir,
I am,
Your most obedient servant,
C. GRATIOT,
Chief Engineer.

To the Honorable
CHARLES F. MERCER,
Chairman, &c.

B.

EXTRACT OF A LETTER

FROM

BENJAMIN WRIGHT, ESQ.

TO THE

COMMISSIONERS FOR THE IMPROVEMENT OF THE ST. LAWRENCE.

As all the Rapids, between Lake St. Francis and Lake St. Lewis, are of this character, and will require descending, as well as ascending Boats to pass through them, Mr. Mills has adapted his plans and calculations to such size Canal: and upon full reflection and examination, I am perfectly convinced, that this sized work is the best and cheapest which can be made for the St. Lawrence to transport cheap, and also expeditiously.

That it is cheaper in its construction than a good Boat Canal adapted to Horse power, for Boats of 50 *or* 60 *tons is, I think, easily demonstrated if we apply the plan to the Upper and Lower Provinces.*

This opinion may appear bold to those who have not well considered the whole ground in detail as an Engineer. To such I will make a statement to shew the truth of my assertion.

There are three methods of moving power for transportation.

1st. By wind and sails on Lakes and gentle water.

2nd. By Horse power and men's labor on Canals, and wind and sails on Lakes.

3rd. By steam power on Lakes, Rivers and Canals.

If we were to adopt a Canal of 5 feet water and Locks of 20 feet in width, we should apply horse power on the Canals and steam towing power on the Lakes. *But on that part of the River where we now intend to use steam power without any improvement we should be under the necessity of making an independent Canal, inland, a distance between Prescott and Lachine of* 35 *to* 40 *miles,* or we should be under the necessity of making a good towing path along the shore of the river, the distance above mentioned, and the great shallow bays and irregularity in the formation of the shores of the St. Lawrence, would make such tow path very expensive if well and permanently done, as it would necessarily be carried in many places some distance from the shore in order to get five feet water, and such tow path would probably be very much injured by the ice every year, unless strongly protected by stone.

In either case this tow path on the Canal inland would cost more than the extra width and depth of the Steam Boat Canal for the short distance we are compelled to make it. There would be much less expedition in transportation, and much more risk in every shape.

These considerations have decided in my mind the propriety and advantages of the Steam Boat Canal, of good size, in preference to any other improvement, for cheapness of construction, cheapness and expedition in transportation over any other plan, when adapted to the peculiar localities of the St. Lawrence between Prescott and Montreal.

The sum of two hundred and thirty five thousand seven hundred and eighty two pounds three shillings and three pence, to effect such a work will appear to some small, but I fully believe the whole improvement between these two Lakes for Steam Boats carrying 250 to 300 tons of goods, can be accomplished for this sum.

No. 6.

MINUTES

OF THE BOARD OF DIRECTORS,

FOR 1834.

5th February 1834.

At a Meeting of the Board of Directors at the Parliament Buildings, York,

PRESENT:

Wm. Hamilton Merritt, Esq. *President.*
Alex. Y. McDonell, Esq. *Vice-President.*
Ogden Creighton,
William Elliott, and
William Chisholm, Esquires.

The first matter submitted for consideration was the appointment of an Agent to the Company.

Ordered, That the Board being fully satisfied with the zeal, industry and ability of Wm. B. Robinson, Esq. the past season, as a Commissioner on the Welland Canal, they have determined on offering him the situation of Agent to the Company, at a salary of £400 per annum, to include contingent expenses for the coming year, if he thinks proper to accept the same.

At a Meeting of the Board held at Perry's House, City of Toronto,

PRESENT:

Wm. Hamilton Merritt, Esq. *President.*
William Chisholm,
William Elliott, and
Charles Duncombe, Esquires.

Resolved, That no intemperate person will be in future employed on the Locks.

St. Catharines, 2d April, 1834.

PRESENT.

William Hamilton Merritt, Esq., *President.*
Alexander Y. McDonell, Esq. *Vice President.*
George Keefer,
Ogden Creighton,
Thomas Butler,
William Chisholm, and
Charles Duncombe, Esquires.

The Solicitor of the Company having submitted his opinion in writing relative to the exacting of tolls on vessels and property passing the Cut at Chippawa,

Ordered, That some discreet person be placed in charge of Chippawa cut and bridge, and that in future, tolls will be exacted on all property and vessels passing the said cut, agreeable to the regulations—and the Solicitor be instructed to proceed against such person or persons as neglect to refuse or comply with the same.

Ordered, That the toll collectors be notified that no staves or lumber will be allowed to pass the Canal in future but under the printed regulation.

Board met 3d April, 1834.

Resolved, That after the first day of May next, no liquor will be allowed to persons employed on the Canal—and persons keeping an inn or grocery will not be employed by the Company. (Amended 22nd September, 1835.)

Ordered, That the Secretary write to Mr. M'Aulay that it is indispensably necessary that he should attend, the law being imperative that all the Arbitrators should be present—and name the 10th of June for a meeting of the same.

A letter from Oliver Phelps, requesting aid to build a bridge across the the Canal, &c., to connect his land, was read.

Ordered, That the Board cannot now comply with Mr. Phelps' request.

May 7, 1834.

At a meeting of the Board at St. Catharines,

PRESENT:

W. H. Merritt, Esq. *President.*
Alex. Y. M'Donell, Esq., *Vice-President.*
George Keefer,
Ogden Creighton, and
Charles Duncombe, Esquires.

The President having, in the presence of witnesses, demanded payment of the tolls due on 3000 bushels of wheat delivered 29th April, 1834, the cargo of the Schooner *Sterling*, passing the cut at Chippawa, and payment of the same having been refused,

Ordered, That the Solicitor be instructed to proceed against the owners in the Court of King's Bench after notifying them of the same.

Ordered, That the President be authorised to let out the Berm Bank near the stop-gate at feeder, by private contract, the same not to exceed 20 cents per yard.

A letter from John Macaulay, Esquire, was read, excusing himself from attending the arbitration on claims.

It being considered highly important that Mr. M'Aulay should give his attendance, the Board direct that if it does not suit his convenience to attend on

the 10th June next, that he be requested to appoint another day for the meeting of the Arbitrators.

Ordered, That James Black, Esq. be appointed to the Collectorship of Port Colborne on entering into the necessary securities.

At a meeting of the Stockholders of the Welland Canal Company held at the Welland Canal Office in St. Catharines, on Wednesday the 4th day of June, pursuant to public notice, for the election of Directors for the ensuing year—

On counting the votes received by ballot as the law directs, a majority appeared for the following gentlemen, viz.:

William Hamilton Merritt, Esquire,
Ogden Creighton, Esquire,
Alexander McDonell, Esquire, and
Thomas Butler, Esquire.

At a meeting of the Directors, on the same day,

PRESENT:

Wm. H. Merritt,
Alexr. McDonell,
Thomas Butler, and
Wm. Elliott, Esquires.

On proceeding to ballot, a majority of votes appeared in favor of Wm. H. Merritt, Esq. for *President,* and Alexander Y. McDonell, Esq. for *Vice President.*

5th June, 1834.

The Board met.

PRESENT:

William Hamilton Merritt, Esquire, *President.*
Ogden Creighton,
Charles Duncombe,
William Elliott, and
Wm. Chisholm, Esquires.

Ordered, That the salary of the late Agent be continued from the 6th June to the 13th July of the past year, his time being occupied in settling claims, attending Arbitration, and the affairs of the Company generally, for a much longer period.

Ordered, That the toll for the present year will be remitted on all Boats which may establish a regular line for conveying passengers—they transporting those in the employment of the Company, when on the Company's business, free from charge.

7th June, 1834.

At a meeting of the Board, at St. Catharines,

PRESENT:

Wm. Hamilton Merritt, Esquire, *President.*
Alexander Macdonell, Esqr. *Vice President.*
Ogden Creighton,
William Elliott,
Thos. Butler,
Charles Duncombe, and
William Chisholm, Esquires.

From the strong feeling which appeared to prevail in the last Session of the Legislature, to have the Welland Canal Company repossess the hydraulic power and property, which they consider to be increasing in value by the outlay of the public money—to remove all doubts respecting the sum to be paid to the Hydraulic Company for the water which may hereafter be required for the Branch Canal to the Niagara River, and to remove every impediment to the purchase of the private Stockholders that the entire Canal may be placed under the control of the public. The Directors deemed it advisable to take the subject into consideration at the first meeting of the Board, and appointed a committee consisting of the Directors appointed by the Government, to negotiate with the proprietors in the Hydraulic Company for the purchase of the same. The subject was discussed at the several meetings—and a Report was submitted by them and read.

Resolved, That all Leases for Hydraulic property be for 10 years only.

Ordered, That the Secretary be requested to appoint an Assistant, and submit his name for the approval of the Board, and that £100 per annum be allowed for this purpose.

That the wood upon the tract of land belonging to the Company be strictly preserved, and that the public be cautioned against cutting any part of it, and that all persons in the employ of the Company be required to report any depredations they may discover to have been committed.

Ordered, That Saw Logs be charged at the same rate of toll as in former years.

The copy of a despatch from E. G. Stanley, Esq., Colonial Secretary, addressed to His Excellency Sir John Colborne, Lieutenant Governor, &c. &c., in reply to a memorial of the Stockholders of the 22nd September last, praying for a relinquishment of the debt due by the Welland Company to the Home Government in consideration of the public advantages derived from the construction of the Canal having been transmitted by His Excellency the Lieutenant Governor, by which it appears His Majesty's Colonial Secretary declines recommending the application. The Board regret the view which Mr. Stanley has taken of the matter, but feel convinced on receiving the strong application made by the Legislature by address the last session, that a more correct view of the subject will be entertained.

4th July, 1834.

At a Meeting of the Board of Directors,—

PRESENT:

Wm. Hamilton Merritt, Esq. *President.*
Thomas Butler, and
Ogden Creighton, Esquires.

It appears from the report of the President that during the past month the Canal has been in excellent order, no detention in the navigation or casualty of any description until the afternoon of the 30th, when two lower lock gates gave way on lock No. 26 when filled, apparently from decay, and took out the lower mitre sills with them, and the upper gates al-

so; on a strict investigation on the spot, there appears no blame or censure can be imputed to the lock tender.

On the same day the upper gates at lock No. 10, were forced open by the Schooner Mississagua Chief, and the two lower ones cast away in consequence. No blame whatever can in this instance attach itself to the locktender, as no precaution on his part would have prevented it, the break having been caused by the vessel not having her line ready to stop her way.

Ordered, That the owners of the Mississagua Chief, be notified that the Company hold them responsible for the damages incurred,—in the mean time the vessel is permitted to pass, and a bill of expenses to be furnished them.

The President has from time to time called the attention of the Board of Directors to the subject of security. By the 34th clause of 4th Geo. IV, c. 17, the Legislature contemplate security should be given by every Treasurer, meaning of course all who should have money passing through their hands. At present no security of the kind exists, which at least forms a dangerous precedent—therefore it is

Ordered, That the Secretary, who is receiving and paying out money, be requested to furnish security to the amount of £500, by two securities, and double the amount in his own name—and that all those who have similar responsibilities be required to present them in this office within the present month, or consider their situations vacant.

With regard to the situation of Mr. Cochrane, at Port Colborne, he reports to the President that assistance is required to make the light. The Company have been paying $30 per month, heretofore for that duty, and the Company not being in a situation to augment these expenditures—

Ordered, That Mr. Cochrane be so informed, and if he prefers taking a situation as lock tender below, he can be changed at the opening—and providing he thinks he can fulfil the duties, and in case he leaves, to give the situation to Ostrum, as recommended in Mr. Black's letter of 30th June.

There appears by the statement presented by the Secretary that the expenditure on the work this season, including arrearages of the last, amounts to ..... £ 8449 6 3
That the debts are 25,000 0 0

£33,449 6 3

Amount received from the Receiver General, on 8th March last, ... 30,000 0 0

£ 3,449, 6 3

Amounts required to apply as follows:—

Port Colborne Harbor, ..	£6,000 0 0	
Extending piers at Port Dalhousie, ...	2,000 0 0	
Port Maitland, ...	2,000 0 0	
Grand River Dam, ...	500 0 0	
Repairs on line of canal, including new lock gates, ...	2,500 0 0	
		13,000 0 0
		£16,449 6 3

Ordered, That the Secretary call on Mr. M'Donell, the Agent for the Hydraulic Company, to furnish the Canal Office, with the least possible delay, with all maps, plans, leases, bonds, blank forms, with the prices and terms of sale of lands or leasing of water, or any other matter that may be required to give information relating to the hydraulics and lands lately repurchased by the Welland Canal Company from the Hydraulic Company.

Resolved, That every application for water power or land be made in writing, and to have priority according to dates, and that the plans and surveys of the property be made, and the business to commence forthwith—the present occupants of course to be continued in their property.

In compliance with an order of the Board of the 7th June last, relating to the appointment of an assistant in the Canal office, the Secretary first offered the situation to Mr. P. J. Beaton, (in the Hydraulic Company's service) at £100. Mr. Beaton declining to accept the same unless having his duties defined, and be allowed to bring other works into the office; the Secretary on those conditions could not accept the services of Mr. Beaton unless approved of by the Board, and in the meantime appointed Mr. Raincock to the situation subject to the approval of the Board.

Ordered, That Mr. Raincock be employed on trial till the next meeting of the Board, and if found competent to the duties required, will be appointed to the situation.

A letter from John B. Yates, Esq., of the 10th June having been submitted, requesting a loan of £2,500 to repay certain sums advanced in this country, for which he will pay interest, and return the principal when required.

Ordered, That the same be advanced, and the Directors feel pleasure in having it in their power to return him a favor so frequently received in the various stages of the Canal, and that the same be advanced from the tolls collected.

August 6, 1834.

At a meeting of the Board of Directors.

PRESENT:

William H. Merritt, Esq., *President*,
Ogden Creighton and
Thomas Butler, Esquires.

Mr. Clark having represented to the Board that, during the present month, he thinks he can, with the aid of his present assistant, post up the books, produce a regular balance sheet of receipts and expenditures, have the hydraullc books open for sale of lands, hydraulic situations, &c. &c. &c., the estimate in due time for the examination of the President, and the business of the office regularly brought up,

Resolved, That the decision of the Board respecting Mr. Raincock be suspended.

Sept. 13, 1834.

At a meeting of the Board of Directors.

PRESENT :

Wm. Hamilton Merritt, Esq. *President.*

Alexander McDonell, Esq. *Vice President.* and

Thomas Butler, Esquire.

The President reported the Canal in good order, in which situation it has continued since last meeting of the Board.

The Bonds from the several persons required to produce the same were submitted as follows—Ogden Creighton, *Treasurer*, himself in £1000, John B. Yates, and James Lockhart in £500 each; John Clark, *Secretary*, himself in £1000, his sureties George Adams and H. Mittleberger in £500 each.—James Black, *Collector*, Port Colborne, himself in £500, his sureties Geo. Keefer and Jos. Wenham, £250 each; George Smith, *Collector*, Port Dalhousie, in £500, sureties Wm. C. Chase and H. Mittleberger, in £250 each; A. S. St. John, *Collector*, Dunnville, in £250—sureties Andrew Thompson and Solomon Miner, in £125 each; John Callaghan, *Collector*, Port Robinson, in £50, two sureties £25 each, which were severally approved of.

6th November 1834.

At a meeting of the Board of Directors,

PRESENT :

Wm. H. Merritt, Esq. *President.*

Charles Duncombe,

Thomas Butler, and

Wm. Chisholm, Esquires.

The President reports the Canal having continued in good order.

A communication from John McAulay Esq. having been read, which leads the Board to believe that the Commissioners will not meet the present season, and as many claimants as well as the Company, are desirous of having their respective demands brought to a close.

Ordered, That the undermentioned gentlemen be proposed, viz :—

Samuel Street, or
David Thorburn Esquires.
George Keefer, Senior,
John Willson, and } Esquires.
Dr. Duncombe,

To settle all claims that the individuals may agree to.

A Letter from D. Thompson, Esq. claiming a settlement of accounts by the end of the month, was read.

Ordered, That the Secretary inform Mr. Thompson that they have to regret that the Commissioners appointed by the Legislature to decide on all unsettled claims have not found time to meet—that the Board have attempted to name other Arbitrators, but find they cannot meet the views of individuals, and they are thus compelled to await the interference of the Legislature to appoint new Arbitrators to close all matters connected with the Company which remain unsettled.

No. 7.

REPORT

OF THE

BOARD OF DIRECTORS,

OF THE

WELLAND CANAL COMPANY,

FOR THE YEAR 1835.

It was the intention of the Board of Directors to have published monthly statements of the operations of the Canal, during the past season; and with this view they made their first Report on the 21st of May.

The Canal was not opened until the 28th of April, a few days after the arrival of the Winnebago, Capt. D. Howe, the first vessel from Oswego, to whom the Company's premium of £25 currency, was awarded.

On the 1st July their 2nd Report was printed, briefly alluding to the very great diminution in produce for exportation, and that no expectation of an increase would be anticipated through the Canal.—The cause is ascribed to the severe frost and snow storm on the 14th May, 1834, which destroyed a great proportion of the crops in the western country.

Their third and last Report was published 1st Sept. It states that, notwithstanding the expected diminution in Tolls, as held out in last Report, an increase had taken place; and that the advantages of the communication began to be duly appreciated.

Since the last Report the operations of the Canal have continued without interruption with an increase both in quantity and amount.

In presenting this statement, although there is every reason to be well satisfied with the result under existing circumstances, it may not be amiss to recapitulate some of the prominent causes which have led to reduce the amount of toll the present season.

The navigation of the Grand River was expected to be opened as early as the 1st May, and would have been in successful operation throughout the season; instead of which from the difficulty experienced by contending against the water in sinking the lower Lock pit, the navigation has been literally closed up. The dams were erected; but for want of Locks no commodities could pass—so that the usual supply of produce and lumber heretofore transported by that channel, was wholly stopped with the exception of 600 barrels of Flour, which were, at much trouble and expense, transported over those dams. Second, the increase in wheat, although exceeding the quantity in 1834, falls far short of the progressive increase which in ordinary seasons might be expected. To shew the difference in amount of toll, had the increase of produce equalled the increase of lumber, the following comparison is adduced :—

Average amount of Toll on a downward cargo of Wheat, through the Canal...	£18	0	0
Average amount of Toll on a cargo of Staves.....	6	0	0
Difference.....	£12	0	0

The reverse of this diminution would shew the progressive increase we had a right to expect.

This communication from the commencement has had to contend against the most powerful opposition. The trade of the western country has been for a length of time concentrated in Buffalo; the Mill owners on the entire line of the Erie Canal, west of Syracuse; the Forwarders of all the different lines of freight Boats, and the Ship owners resident in Buffalo and Black Rock—all of whom can command any amount of Capital—have a direct interest in diverting the trade through the Erie Canal, and have not been sparing of means, personal exertions and influence, to accomplish that object.

They have taken a sufficient interest in the different Steam Boats and vessels on Lake Erie, to confine their trips to the port of Buffalo; they have extended their different lines through the entire route of the Ohio Canal, to Portsmouth, on the Ohio River, to meet those vessels at Cleveland, on Lake Erie, and their Millers and Forwarding Companies send Agents to make sufficient advances to the different purchasers of wheat to insure its being confined to their particular conveyances or channel. The same influence is extended to the Merchants in New York, who, to retain their business, readily enter into their views, (although in fact, they can have no direct or positive interest in either route,) thus completely controlling the greater part of the transit by means of the facilities they possess in obtaining money, although at a positive loss to the grower and consumer.

It is the want of that capital only which prevents a regular line of vessels from Kingston to Amherstburgh.

One Steam Towing Boat between Kingston and Port Dalhousie, on Lake Ontario, and one between Port Colborne and Amherstburgh, with a few Schooners, would effect the object. The day is not far distant when similar lines will be established between Oswego and Port Dalhousie, and Port Colborne and Cleveland, for the New York trade.

We have reason to be satisfied with the prospects offered by our neighbours, from New York, as well as every port or place west of Buffalo in the western States. But one feeling appears to prevail, and that is,—the complete success of this work. The inhabitants all feel that their interests have been promoted by the opening of this communication, and its practical effects begin to be developed; the lowest price for the transportation of a ton of Goods—

From New York to Cleveland, via Buffalo, per hundred, is.....	$1	07
From New York to Cleveland, via Oswego, per hundred is.....	0	85
Thus making a saving per hundred of..	$0	22

Or $4 40 cents per ton of 2,000 lbs.

The increase of merchandise, for the past season, was nearly three to one, over the preceding year; although a most unjustifiable proceeding was resorted to in New York to divert the trade, at a period which did not admit of contradiction in time to remove the effect. On the 21st of October the following notice appeared in the New York papers, just at the time the fall shipments were making, which unquestionably caused large quantities to be diverted from Oswego, through the Erie Canal.

"The Commissioners of the Welland Canal contemplate closing the Canal on the 1st November, in order to commence the improving the Canal, and having it in perfect order by the time the Erie Canal opens in the spring.—Goods will not be shipped from Oswego, destined for Lake Erie after the 25th of October."

The experience of the few past years, it is hoped, affords sufficient evidence, that the same motive for similar deception will not exist; as there must be ample business for both channels.

Last spring, goods were delivered in Ohio some days before the lake was clear of ice above Buffalo harbor.—Schooners have performed the trip from Cleveland to Oswego; returned and unloaded, within 10 days; and from Port Dover, on Lake Erie, to Toronto, in three days.

A number of new vessels have been added to this trade, during the last season, all of the largest size, and first class, exceeding 100 tons.

The increase of Toll in 1834, over the previous year, was about 19 per cent.; and in 1835, over 1834, about 35 per cent. The prospects for the trade of the ensuing season give reasonable hope of a much greater increase.

The *Tables* in the Appendix to this Report, numbered 1 to 8, have been made out with great care and attention, with a view of placing the actual situation of the trade of the western part of the country fairly before the public.

Nos. 1 & 2 shew the transit from one American port to another, both up and down.—No documents can more clearly shew the importance of this trade; and we trust it may be the means of convincing our Montreal Merchants. It is worthy of their attention.

Nos. 3 & 4, the transit from one British Port to another.—Although small in quantity they shew a great increase during the past year. A communication has been commenced, and will be established, with every port between Port Colborne on Lake Erie and Goderich on Lake Huron; which gives a fair promise of a progressive increase in all time to come.

Nos. 5 & 6, the transit from a British to an American port. This consists principally of lumber, with a very small proportion of wheat and flour.—The trade between the two countries is at present greatly to our disadvantage; but we have every reason to expect a more liberal and enlightened policy will be adopted.

Nos. 7 & 8, from an American to a British port, show a greater proportion of wheat than flour, as compared with the shipments from one British port to another.

Those tables will prove more useful hereafter, as a record of the trade between the two countries, and shewing the actual increase of different articles from year to year. It is desirable that future Boards should continue to publish them.

The Table No. 9 gives an abstract of quantity

and amount, and presents an increase over the past year, highly satisfactory to those who have a correct knowledge of the last years crops.

The Welland Canal has cost as follows:

Stock paid in, including the Stock paid in by both Provinces,	£193,340	0	0
Loans from the Provincial Government,	100,000	0	0
Loan from Imperial Government,	55,555	11	0
Exchange on do. do.	7,156	15	5
Tolls of 1830 and 1831,	1,956	18	7¼
Do. 1832	2,432	7	8¼
Do. 1833	3,618	1	7¾
Expended by Commissioners in 1833,	7,500	0	0
New creation of Stock, in 1834, and taken up by Provincial Government,	50,000	0	0
Tolls of 1834,	3,719	1	7½
Do. 1835,	5,807	5	11¼
	£431,086	2	1

The length of the Ship Canal, from Lake Erie to Lake Ontario, is	28 miles.
Mouth of Welland 16 chains, or 1,056 feet	
Towing path from thence to Port Robinson	9¼ "
Feeder or boat canal, from Junction to Dunnville,	20¾ "
Towing path from thence to mouth of Grand River,	5 "
	63 "

[63 miles 16 chains.]

The dimensions of the ship canal are:

Depth of water,	8 feet.
Width of bottom,	26 "
Do. surface,	58 "
With 40 Locks; and with a summit elevated above Lake Ontario, of	336 feet.
From thence the descent to Welland River is	16 "
From thence the descent to Lake Erie,	6½ "
	358½

The dimensions of the Boat Canal are

Minimum depth,	4 feet.
Surface,	36 "

Besides the erection of three Harbors—Port Dalhousie, Maitland and Colborne—An aqueduct for vessels over the River Welland, 365 feet in length, and 24 feet in width—A dam and embankment over the Grand River, of nearly one mile in length, with 5 extra Waste Weirs, capable of discharging in all a width of 1,500 feet of water—four stone culverts, only one of which remains—six wooden culverts—three guard or stop gates, with some 40 or 50 Waste Weirs, and 1¾ of a mile of the deepest cutting in America, with the exception of the Delaware averaging, from 30 to 56 feet.

The following Report from the Engineer, will shew the work now in progress:—

To the President and Board of Directors of the Welland Canal.

GENTLEMEN,

I beg leave to present the following brief statement of work to be prosecuted during the close of the navigation, upon the Welland Canal.

1. Raising the Berm Bank from Broad to Cranberry Creek on the feeder.

2. Widening and deepening the lower end of the Feeder; removing rock in the cut to Gravelly Bay and widening the Canal below Junction.

3. Widening and deepening the Canal from head of Gravelly Bay to first Guard Gate.

4. Raising towing path from Dunnville to Broad Creek.

5. Rebuilding part of Locks No. 7, 16 and 20; and repair of Locks 18, 25 and 27.

6. Rebuilding Waste Weirs at Marlatt's, and at Lock No. 6.

7. Making 4 new Lock Gates at Port Robinson, 2 at Thorold, 2 at Allanburgh, and 4 more upon other parts of the line.

8. New Guard Gates near Gravelly Bay.

9. Two new road Bridges—one at Berger's and another at Quakers.

10. Repair of road Bridge near aqueduct, and planking road way of aqueduct.

All these works are placed under contract, except Nos. 3 and 4, and will be finished by the first of April; as the necessary materials for these repairs and works are now nearly upon the ground. With an ordinary season we may expect to open the navigation by the 4th day of April, at farthest. The estimated expense of the repairs above specified, is $25,382 16; and of the 3rd and 4th, not yet under contract $1,800.

Upon a recent examination of the Canal line, the earth work, paths, slopes and embankments, are generally in a good state of repair, and no immediate expenditure under those heads, is to be apprehended.

The late storm in November, has severely tested the works at Port Colborne; but has not injured the solidity of any of the main Piers. The Grand River Pier has suffered to the extent of £62 currency.—The extent of damage sustained at both harbors, I have estimated at £212 10s. Port Colborne has been repaired at less expense than my estimate.

The Harbor at Port Dalhousie, although the Piers are undecked, appears to have given general satisfaction, to all the ship masters with whom I have conversed; the present depth of water is sufficient for all schooners that now navigate the Canal.

During the past season the Welland Canal has been navigated by 103 schooners, mostly of a large class, rating between 60 and 120 tons burthen: they will carry freight to the aggregate extent of 7,290 tons.

In closing my remarks for the season, I may sum up the whole by stating that it is only necessary to place the Canal in a perfect and permanent state of repair, to ensure a trade corresponding with the capacity of the Locks for transit.

I have the honor to be,
Gentlemen,
Your very obedient servant,
FRANCIS HALL.

ST. CATHARINES, *26th Dec.* 1835.

In the Appendix to this Report will be found a a new table of toll, which will go into operation on the opening of the navigation next season.—In the compilation of this table, all parties interested in the trade have been consulted and information obtained from the best sources.

The Company have in hand the sum of	£294	18	2¾
And they owe as follows:			
Estimate passed 6th January, 1836, ...	£1,000 19 9		
Contingencies do. .	207 7 5½		
	1,208	7	2½
Leaving them in arrears at close of season, ...	£ 913	8	11¾
To which may be added the amount of awards for Land, Damages, &c.	2,573	17	11
Making a balance due from the Company at the close of the present season, ...	3,487	6	10¾
In addition to which may be added the estimated amount of work as specified in Engineer's Report $25,382 16 cents, ...	6,345	10	10
Leaving to be provided for, ...	£9,832	17	8¾

HYDRAULICK PURCHASE.

It is necessary that the proceedings of the Company, relating to this transaction, should be correctly understood; and it is due to the Board, the Stockholders and the Public, to give a detailed narrative of their proceedings in relation to it.—With that view they submit a copy of the statement presented last session, to a committee of the House of Assembly, as follows:

It contains, *First*—Orders of the Board to notify particularly the Government Directors, that the subject of the Hydraulics will be taken into consideration; and the appointment of a committee to consist of the Government Directors alone, to examine and report on the subject.

Second—The report of that Committee containing the following proceedings, viz: 1. Minutes of meeting, 26th October, 1830, expressing the opinion of the Board respecting the sale of the Hydraulic power and land. 2. Ditto of Nov. 3d, 1830, when the Resolution of the preceding meeting was not confirmed, but the property ordered to be advertised. 3. Copy of the advertisement, 8th december, 1830. 4. Proceedings of meetings of 11th May and 2d June, 1831, confirming sale, and appointing Mr. George Keefer, Jun., to make a survey, and ordering a deed to be made out to Alex. M'Donell, Esq.

Third—Opinion of the Committee on the subject.

Fourth—Concurrence of the Board.

Fifth—Copy of the instrument alluded to.

Extract from the Minutes of the Board of Directors of the Welland Canal Company.

May 7, 1834.

PRESENT.

William H. Merritt, *President.*
Alexander M'Donell, *Vice-President.*
George Keefer, Ogden Greighton, Charles Duncombe, } *Directors.*

Ordered, That a meeting of the Board will be held on the 1st Monday in June next, when the subject of the Hydraulics will be taken into consideration; and that the Government Directors be particularly requested to attend on that day.

EXTRACT

FROM

THE MINUTES OF THE BOARD OF DIRECTORS

OF THE

WELLAND CANAL COMPANY.

June 7, 1834.

PRESENT:

Wm. Hamilton Merritt, *President.*
Alexander McDonell, *Vice President.*
Ogden Creighton, William Elliott, Thomas Butler, Charles Duncombe, William Chisholm. } *Directors.*

From the strong feeling which appeared to prevail in the last session of the legislature, to have the Welland Canal Company repossess the hydraulic power and property, which they consider to be increasing in value, by the outlay of the public money—to remove all doubts respecting the sum to be paid to the Hydraulic Company, for the water which may hereafter be required for the branch Canal to the Niagara river; and to remove every impediment to the purchase of the private Stockholders, that the entire Canal may be placed under the control of the public, the Directors deemed it advisable to take the subject under consideration at the first meeting of the Board, and appointed a Committee, consisting of the Directors appointed by the government, to negotiate with the proprietors in the Hydraulic Company, for the purchase of the same—the subject was discussed at the several meetings, and the following Report submitted:—

[For Report of Committee see Appendix to Remarks, marked No. 3, of this year.]

The Board fully concur in the sentiments of the above Report. However, as the greatest inducement on the part of Mr. Yates, who is the principal proprietor, to dispose of this property is, to meet the views of the public so frequent expressed in the House of Assembly, he suggests the propriety of recording a reservation, to enable the Legislature to replace the property in its present position, if they deem it advisable, at the next Session; and he has executed an instrument, to return the obligations of the Welland Canal Company, placing the property in its present position, and reconvey it to him.

[For Agreement made between the Welland Canal Company and Messrs. Yates, McDonell & Creighton, see Document appended to this year, marked No. 4.]

In accordance with this arrangement, the Board took a re-conveyance of the property from Mr. Yates and gave the Bonds of the Company for £17,500;

and thus the matter stands. The motive for first disposing of this property was to concentrate a large amount of capital on the line of the Canal which would increase its revenue in the shape of toll. A very serious difficulty appeared to exist on account of the title; to remove which, an application was made to the Legislature to incorporate the Company and also to allow one of the principal proprietors to hold and convey real estate, neither of which was granted. A very great anxiety appeared to be manifested by the House of Assembly to re-possess this property; and it was supposed to be the only existing obstacle to making the Canal wholly a public work. It was this reason, together with the desire to possess the entire control of this water, in case it should be required for any other purpose, which induced the Directors appointed by the House of Assembly to re-possess it.

SUPPLEMENTARY REPORT.

The House of Assembly have the power to appoint three Directors to represent the interest the Provincial Government hold in this undertaking. During the last year Dr. Duncombe of Oxford, David Thorburn, Esqr. of Queenston, and Wm. Lyon Mackenzie, Esq. were selected for that trust. On the 15th of May, those gentlemen took their seats and proceeded with the ordinary affairs of the corporation, as usual; the Board offering every facility, as on all occasions to every Director, to examine the minutes of former proceedings, the Books, papers and all other documents relating to the affairs of the Company. Mr. Mackenzie having examined the entire line of the Canal was highly gratified with all he saw, and expressed the most earnest desire to promote the best interests of the undertaking, offered to be the bearer of a Memorial to Lower Canada, and to use his best exertions to obtain aid, of the success of which he said, he did not entertain the least doubt. He professed that the investigation in which he was engaged, was with a view of preparing himself to make such a Report as would enable him to effect that object.

On the 21st of October Mr. Mackenzie notified the President that he had discovered defalcations of the funds of the Company to a large amount. He insisted upon a special meeting of the Board being called which was acceded to; and from the representations then made by him, the Board assented to close up the Office, seal up the Books and papers and leave every thing in abeyance until the period named by him, 19th November; he at the same time promising every exertion on his part to promote the object of the mission he had offered to undertake; and, until the moment of his departure, expressing his entire confidence of success. With what fidelity he has discharged the trust reposed in him by this Company, in the execution of that mission, will be seen from his own statement. The first intimation we had of the change in that gentleman's sentiments, was in the appearance of a paper bearing the title of the "Welland Canal," published by him at Toronto, on the 16th December last, in which we find a series of accusations against the Directors—for, however desirous he may appear to be to cast the odium on the President, the fact cannot be concealed that the responsibility of the management of this corporation rests wholly with the Board of Directors. How far Mr. Mackenzie would be justified in publishing the proceedings of a corporation who had confided to him the management of so important a trust, before representing the reasons on which he grounded his opinions, to the body who sent him, or by calling a meeting of the Stockholders generally, (the only parties directly interested, admitting all his assertions were true,) is for the *public* to determine. But if those charges prove to be false, who will be the sufferers? It is a matter of little consequence to Mr. Mackenzie, who does not own a farthing of Stock—it is also of little consequence to the Directors individually, who hold a very small amount of Stock—and it may be of little consequence to any *individual* within this Province, as the whole amount of Stock held in it does not exceed £3,712 10, but there are individuals, both in Europe and the United States, particularly the latter, who are deeply interested—men who have advanced large sums, having lain out of their money for many years, and to whom this Province is under deep and lasting obligations, for the benefit they are daily deriving from this communication, *who may be seriously injured.*

Although the Directors protest, in the strongest manner, against the abuse of the trust reposed in that individual, they do not feel themselves called upon in justice to their own character, to notice any other matter contained in the publication alluded to, except what relates to a

DEFALCATION OF THE FUNDS OF THIS CORPORATION.

The moment this charge was made the most prompt and efficient measures were adopted to obtain a full investigation.—On the 19th November, the day named, the following order was passed, nem. con.

"Whereas, it has been stated by Mr. Mackenzie, a member of the Board, that the financial affairs of this corporation are in a state of great derangement, and that the books have been improperly tampered with; and whereas the Board are desirous to have the charges made by Mr. Mackenzie thoroughly and impartially investigated by some competent and disinterested person or persons.

"It was proposed by THOMAS BUTLER, Esq., and seconded by OGDEN CREIGHTON, Esq.,

"*Resolved*, That Mr. J. T. BOWREY be authorised to examine and compare the said charges with the said Books on behalf of this Company, together with all receipts and expenditures of all money which may have come into the possession of this corporation, from time to time, up to the 31st of Oct. inclusive; and that the Secretary, Mr. Clark, be requested to appoint another person to act in conjunction with Mr. Bowrey—and that those two gentlemen do report the result of their examinations to this Board—and that they shall have full power to examine all persons, books, and papers, in any way connected with the affairs of this corporation.

The result of the investigation is contained in their Report.

APPENDIX.

No. 1.

TABLE shewing the principal Articles of Property passed up through the Welland Canal, from one American Port to another, in the Season of 1835.

FROM	TO	BARRELS OF				Bushels	Tons	MERCHANDISE			Tons of Plaster and Cement.	Tons
		Whiskey	Salt	Beer & Cider	Apples.	Potatoes.	Coals	Tons	Cwt.	Qrs.		Castings.
Oswego	Cleveland		53599	153		3557	157½	2022	9	2½	30½	
Oswego	Sandusky		8548					270	7	2		
Oswego	Chicago	106	2129	70	181	1435	25½	267	9	3		
Oswego	Detroit		10184	112		775	47	519	6	1	27½	20
Oswego	Richmond		1953					149	3	2		
Oswego	Huron		5526				51¾	370	10	2		
Oswego	St. Joseph's		275					9	12			
Oswego	Monroe		853					2	2			
Oswego	Fairport		605					117	14	2		
Oswego	Black River		656									
Oswego	Maumee		224					18				
Oswego	Erie		1077					41	6			
Sacketts	Chicago							59	6			
		106	85629	335	181	5767	281¾	3847	12	2½	57¾	20

WM. HAMILTON MERRITT,
President W. C. Co.

WELLAND CANAL OFFICE,
St. Catharines, December 31, 1835.

JOHN CLARK,
Secretary W. C. Co.

No. 2.

TABLE shewing the principal Articles of Property passed down through the Welland Canal, from one American Port to another, in the Season of 1835.

FROM	TO	Bushels	BARRELS OF					TONS OF				W. India Staves.	Pipe Staves.	Kegs	Hhds.
		Wheat.	Flour	Pork.	Ashes	Lard.	Ham.	Oil.	Coal.	Castings.	Iron.	Md'ze.			Lard.	Tobacco.
Cleveland	Oswego	250803½	310	1026	183	9	10		69	89	9	8 3/20	470031	80461	28	26
Cleveland	Sacketts	5939	52											11972		
Portland	Oswego	6050														
Sandusky	Oswego	4200														
Huron	Oswego	3463	227										74019			
Richmond	Oswego	2397		69	96			7					24370		16	
Cleveland	Ogdensburg		346	6209½		87	13	5	18					11978	290	
Cleveland	Cape Vincent			500									76796	108433		
Fairport	Oswego				58								39300			
Rocky River	Cape Vincent												11218	9720		
Detroit	Oswego												124162			
Chicago	Sacketts												23657			
Huron	French Creek													5600		
Buffalo	Oswego									9½						
		272352½	935	7804½	337	96	23	12	87	98½	9	8 3/20	843553	228219	334	26

WM. HAMILTON MERRITT,
President W. C. Co.

WELLAND CANAL OFFICE,
St. Catharines, December 31, 1835.

JOHN CLARK,
Secretary W. C. Co.

No. 3.

TABLE shewing the principal Articles of Property passed up through the Welland Canal, from one British Port to another, in the Season of 1835.

FROM	TO	M. Shingles.	MERCHANDISE			BARRELS OF						BUSHELS		TONS OF		W. India Staves.	Feet of Boards.
			Tons.	Cwt.	Qrs.	Beer & Cider.	Flour	Salt.	Whiskey.	Apples.	Pork.	Barley.	Potatoes.	Castings.	Plaster.		
Toronto	St. Catharines	....	7	0	0	1	....	....	....	....	....	1573	....	....	....	.....	.....
St. Catharines	Dunnville	....	1	0	0	131	....	308	....	....	....	....	....	....	....	.....	.....
St. Catharines	Port Colborne	....	4	10	0	26	....	....	....	....	....	....	....	....	....	.....	.....
St. Catharines	Chippawa	....	8	0	0	....	....	15	....	....	....	....	....	26	....	.....	.....
St. Catharines	Thorold	....	1	0	0	....	....	54	....	....	....	....	....	....	....	.....	.....
St. Catharines	Port Robinson	....	1	11	0	....	....	31	....	....	....	....	....	....	....	.....	.....
Prescott	St. Catharines	....	120	3	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Sandwich	....	95	9	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	St. Thomas	....	77	9	3	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Goderich	....	5	3	3	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Gosfield	....	26	18	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Vittoria	....	22	9	3	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Amherstburgh	....	41	2	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Port Stanley	....	133	7	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Thorold	....	3	2	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Dunnville	....	11	18	3	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Port Robinson	....	6	10	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Prescott	Port Colborne	....	1	16	2	....	....	....	....	....	....	....	....	....	....	.....	20465
Prescott	Long Point	....	57	1	3	....	....	....	....	....	....	....	....	....	....	.....	.....
Toronto	Amherstburgh	....	9	0	2	....	200	....	....	....	....	....	....	....	....	.....	.....
Toronto	Colchester	40	....	....	....	....	....	....	....	....	....	....	....	....	....	.....	.....
Toronto	Sandwich	....	41	7	2	....	....	50	....	....	....	....	....	....	....	.....	.....
Toronto	Goderich	....	16	9	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Toronto	Gosfield	....	7	0	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Toronto	Port Stanley	....	4	0	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Port Robinson	Dunnville	....	27	10	0	41	10	....	40	20	110	....	145	7½	....	.....	.....
Port Robinson	Colborne	....	9	0	0	....	....	....	....	....	....	....	....	6½	3	.....	.....
Hamilton	St. Catharines	....	....	....	....	....	....	....	45	....	....	....	....	....	....	.....	.....
Hamilton	Long Point	....	1	10	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Niagara	St. Catharines	....	3	0	0	....	....	....	7	....	....	....	245	....	....	.....	.....
Niagara	Port Stanley	....	15	1	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Dalhousie	St. Catharines	....	....	....	....	....	....	....	....	....	....	....	....	....	....	5800	.....
Kingston	Port Colborne	....	9	5	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Kingston	St. Catharines	....	56	2	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Kingston	Allanburgh	....	6	7	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Kingston	Port Stanley	....	4	16	2	....	....	....	....	....	....	....	....	....	....	.....	.....
Brockville	Port Robinson	....	36	17	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Brockville	St. Catharines	....	5	5	0	....	....	....	....	....	....	....	....	....	....	.....	.....
Brockville	Port Colborne	....	7	10	2	....	....	....	....	....	....	....	....	....	....	.....	.....
		40	894	15	3	199	210	458	92	20	110	1573	399	40	3	5800	20465

WM. HAMILTON MERRITT,
President W. C. Co.

WELLAND CANAL OFFICE,
St. Catharines, December 31, 1835.

JOHN CLARK,
Secretary W. C. Co.

No. 4.

TABLE shewing the principal Articles of Property passed down through the Welland Canal, from one British Port to another, in the Season of 1835.

FROM	TO	BARRELS OF						Feet of Boards.	Cubic feet of square timber	Pipe Staves.	Saw Logs	M. Shingles.	TONS OF			BUSHELS OF		Hhds. Tobacco.	W. I. Staves	Tons Md'z	Kegs. Lard
		Ashes.	Flour.	Pork.	Whiskey.	Salt.	Hams.						Iron.	Castings.	Plaster.	Wheat.	Barley				
Peterburgh...	Thorold.....															434	175				
Roundeaux ..	Toronto.....							6000													
Roundeaux ..	Prescott.....			4						2163						549		7½			
Dover.....	Prescott.....		1340																		
Port Stanley..	Prescott.....		2214	213																	
Long Point..	Toronto.....				154								49½	41¼							6
Long Point..	Chippawa ...		96																		
Long Point..	Brockville...		612																		
Long Point..	Hamilton....																				
Long Point..	Prescott.....		447							4500				20							
Long Point..	Dunnville....				147																
Amherstburg.	Prescott.....																				
Colchester...	Prescott.....			25														133			
Port Colborne	Dalhousie....							15000		7000								179			
Gosfield.....	Toronto.....							20000					77	25				21			
Gosfield.....	Kingston																	16			
Chatham	Toronto.....							26000													
Cataraguas'..	Toronto.....							13000													
Port Antrim..	Prescott.....									3139								4			
Port Colborne	Port Robinson										1137										
Port Burwell.	Brockville...									9533											
Dalhousie....	St. Catharines										104										
Allanburg....	St. Catharines							25000													
St. Catharines	Prescott.....	11	3387													1736					
St. Catharines	Kingston		749																		
Dunnville....	Prescott.....	3	1412	287			5														
Dunnville....	Milton																				
Dunnville....	Colborne							193615			312										
Dunnville....	Dalhousie....							14159		3600											
Dunnville....	Port Robinson			8	53	17		599075	18300		3443	155			381	612				9	
Dunnville....	Thorold.....										314					566					
Dunnville....	St. Catharines							113406			238										
Dunnville....	French Creek																				
Peterburgh...	St. Catharines																		37000		
Thorold.....	Prescott.....		33													600					
Port Robinson	Thorold.....								3982		5149	11									
Port Robinson	PortDalhousie									4000	20				38	517					
Port Robinson	Toronto.....																				
Port Robinson	St. Catharines							57000							7						
Port Robinson	Allanburgh...							3750	1662		3156										
Port Robinson	Kingston																				
Port Robinson	Prescott.....	14	17	50				23000							41½						
		28	10307	587	354	17	5	1109005	26312	33935	13933	166	126½	86¼	467½	5064	175	360½	37000	9	6

WELLAND CANAL OFFICE, ST. CATHARINES, 31*st December*, 1835.
JOHN CLARK, *Secretary Welland Canal Company.*

WILLIAM HAMILTON MERRITT,
President Welland Canal Company.

No. 5.

TABLE shewing the principal articles of property passed up through the Welland Canal from a British to an American Port, in the season of 1835.

FROM	TO	Feet of Boards.	M. Shingles.	Barrels of Flour
Oakville	Buffalo	33000		
Thorold	Buffalo			100
Hamilton	Buffalo			65
Toronto	Buffalo	28860		
Dunnville	Buffalo	150000		37
Dunnville	Buffalo		25000	
		211860	25000	202

WILLIAM HAMILTON MERRITT,
President Welland Canal Company.

WELLAND CANAL OFFICE,
ST. CATHARINES, 31*st Dec.* 1835.

JOHN CLARK, *Secretary W. C. C.*

No. 6.

TABLE shewing the principal Articles of Property passed down through the Welland Canal, from a British to an American Port, in the season of 1835.

FROM	TO	W. I. Staves	Pipe Staves.	Barrels Flour.	Bushels Wheat.	Cubic Feet Square Timber.	Saw Logs.
Port Maitland	French Creek		14454				
Port Stanley	Oswego			200	2538		
Port Dover	Oswego			1095	1264		
Roundeaux	Cape Vincent		7494				
Howard	Cape Vincent		7621				
Dunnville	French Creek		59754			17047	
Port Robinson	French Creek		95164				
Peterburgh	French Creek	14009					
Dunnville	Grand Isle					59601	4114
		14009	184487	1295	4802	76648	4114

WILLIAM HAMILTON MERRITT, *President W. C. C.*

WELLAND CANAL OFFICE,
St. Catharines, 31*st Dec.* 1835.

JOHN CLARK, *Secretary W. C. C.*

No. 7.

TABLE shewing the principal Articles of Property passed up through the Welland Canal, from an American to a British Port, in the season of 1835.

FROM	TO	MERCHANDISE. Tons	Cwt.	Qrs.	Brls. Salt.	Tons Coals
Oswego	Amherstburgh		6		100	
Oswego	St. Catharines	5	6	2	270	2
Oswego	Long Point				90	
Oswego	Port Stanley				633	
Oswego	Allanburgh	5				
		10	12	2	1093	2

WILLIAM HAMILTON MERRITT,
President W. C. C.

WELLAND CANAL OFFICE,
St. Catharines, 31*st Dec.* 1835.

JOHN CLARK, *Secretary W. C. C.*

No. 8.

TABLE shewing the principal Articles of Property passed down through the Welland Canal, from an American to a British Port, in the Season of 1835.

FROM	TO	Bushels of Wheat.	Pipe Staves.	BARRELS Pork.	BARRELS Flour	TONS OF Medze.	TONS OF Coal.	TONS OF castings	West India Staves.
Cleveland	Brockville	18919	4785	1119	....	.....	.....	.....	1000
Buffalo	Thorold	.....	.....	....	....	7 2 0	.....	.....	.....
do	Port Colborne	.....	.....	....	....	.....	.....	4	.....
do	Toronto	.....	.....	....	....	.....	.....	7	.....
Cleveland	Prescott	.....	.....	4087	....	.....	13	.....	.....
do	Hamilton	.....	.....	200	....	.....	.....	.....	.....
do	Toronto	.....	.....	....	....	.....	226¾	.....	.....
Clear Creek	Brockville	.....	1275	....	....	.....	.....	.....	.....
Cleveland	Prescott	.....	2000	....	100	.....	.....	.....	.....
		18917	8060	5406	100	7 2 0	239¾	11	1000

WM. HAMILTON MERRITT,
President W. C. Co.

WELLAND CANAL OFFICE,
St. Catharines, December 31, 1835.

JOHN CLARK,
Secretary W. C. Co.

RATES of Toll on the Welland Canal—as amended.

DESCRIPTION OF PROPERTY.	Through the whole route.	From mouth of Grand River to Dunnville, and *vice versa.*	FROM Dunnville to Port Robinson, and *vice versa.*	FROM Port Robinson to Thorold, and *vice versa.*	FROM Thorold to St. Catharines and *vice versa.*	FROM St. Catharines to Port Dalhousie, and *vice versa.*	FROM Port Robinson to Port Colborne, and *vice versa.*	CHIPPAWA ROUTE. Vessels not intending to pass through the Canal.	Vessels intending to pass through.
	26 miles.	48 ms. 60 chs.	26 1-4 miles.	6 1-4 miles.	4 m. 50 chains	5 m. 18 chains	12 miles.	16 chains.	16 chains.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
Flour, per barrel	0 5	0 2	0 2½	0 1	0 1	0 1	0 1½	0 1	Same as if entering the Canal at Port Colborne or Port Dalhousie
Pork, per barrel	0 7½	0 3	0 3½	0 2	0 2	0 1½	0 2½	0 1½	
Ashes, per barrel	1 0	0 4	0 6	0 3	0 2½	0 1½	0 4	0 2	
Whiskey, per barrel	1 0	0 4	0 6	0 3	0 2½	0 1½	0 4	0 1½	
Lard and Butter, per barrel	0 7½	0 3	0 3½	0 2	0 2	0 1½	0 2½	0 3	
Salt, per barrel	0 2	0 0½	0 1	0 0½	0 0½	0 0½	0 0¾	0 0½	
Beer and Cider, per barrel	0 9	0 3	0 4	0 2	0 2	0 2	0 3	0 3	
Dried Fruit and Nuts, per barrel	1 0	0 3	0 6	0 3	0 2½	0 1½	0 4	0 3	
Pitch, per barrel	0 6	0 2	0 3	0 1½	0 1½	0 1	0 2	0 2	
Hams and Bacon, per cwt	0 4	0 1¼	0 2	0 1	0 1	0 1	0 1½	0 1¼	
Oil, per barrel	0 7½	0 2	0 3½	0 2	0 2	0 1½	0 2½	0 2	
Bees' Wax, per barrel	0 6	0 1½	0 3	0 1½	0 1½	0 1	0 2	0 1½	
Fish, per barrel	0 9	0 3	0 4	0 2	0 2	0 2	0 3	0 3	
Dried Fish, per cwt	0 4	0 1¼	0 2	0 1	0 1	0 1	0 1½	0 1¼	
Crackers, per barrel	0 7½	0 2	0 3½	0 2	0 2	0 2	0 2½	0 2	
Wheat per bushel	0 1¼	0 0½	0 1	0 0½	0 0½	0 0½	0 0¾	0 0½	
Oats, per bushel	0 1	0 0¼	0 0½	0 0¼	0 0¼	0 0¼	0 0½	0 0¼	
Corn, Barley and Rye, per bushel	0 1¼	0 0½	0 1	0 0½	0 0½	0 0½	0 0¾	0 0¼	
Potatoes, per bushel	0 1	0 0¼	0 0½	0 0¼	0 0¼	0 0¼	0 0¾	0 0¼	
Coals, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Castings, *up*, per ton	5 0	1 3	2 6	1 8	1 8	1 8	2 0	1 0	
Castings, *down*, per ton	3 9	1 0	1 10½	1 0	1 0	1 0	1 3	1 0	
Pig Iron, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Grindstones, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Plaster, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Plaster, ground, per ton	3 9	1 3	1 10½	1 0	1 0	1 0	1 3	1 0	
Furniture and Baggage, per ton	5 0	1 3	2 6	1 8	1 8	1 8	2 0	1 3	
Lard and Butter, per keg	0 4	0 1	0 2	0 1	0 1	0 1	0 1½	0 1	
Tobacco Leaf, per cwt	0 4	0 1	0 2	0 1	0 1	0 1	0 1½	0 1	
Tobacco, manufactured, per cwt	0 6	0 2	0 3	0 1½	0 1½	0 1½	0 2	0 2	
Pipe Staves, per M	20 0	3 9	10 0	5 0	5 0	5 0	7 6	3 9	
W. I. Staves, per M	7 6	1 3	3 9	1 10½	1 10½	1 10½	2 6	1 3	
Saw Logs, each	0 4	0 1	0 2	0 2	0 2	0 2	0 3	0 1	
Square Timber, 12 inches in diameter, and upwards, per 1000 cubic feet	25 0	5 0	12 6	7 6	7 6	7 6	8 9	5 0	

DESCRIPTION OF PROPERTY.	Through the whole route.	From mouth of Grand River to Dunnville and vice versa.	FROM Dunnville to Port Robinson, and vice versa.	Port Robinson to Thorold and vice versa.	Thorold to St. Catharines and vice versa	St. Catharines to Port Dalhousie, and vice versa.	Port Robinson to Port Colborne, and vice versa.	CHIPPAWA ROUTE. Vessels not intending to pass through the Canal.	Vessels intending to pass through.
	26 miles.	4 ms. 60 chs.	26 1-4 miles.	6 1-4 miles.	4 ms. 50 chs.	4 ms. 18 chs.	12 miles.	16 chains.	16 chains.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
Flatted Timber, per 1000 cubic feet	20 0	3 9	10 0	5 0	5 0	5 0	7 6	3 9	Same as if entering the Canal at Port Colborne, or Port Dalhousie
Small round Building Timber, ditto	12 6	2 6	6 3	3 9	3 9	3 9	5 0	2 6	
Shingles, per M	0 6	0 2	0 3	0 1½	0 1½	0 1½	0 2	0 2	
Barrels, each	0 2	0 0¼	0 1	0 0½	0 0½	0 0½	0 0¾	0 0¼	
Boards, 44 inch, per 1000 feet	3 9	1 0	1 10½	1 0	1 0	1 0	1 3	1 0	
Merchandise, *up* and *down*, per ton	5 0	1 3	2 6	1 8	1 8	1 8	3 9	1 3	
Firkins, small casks, packages, &c. each	0 2	0 0¼	0 1	0 1	0 1	0 1	0 1½	0 0¼	
Passengers	0 6	0 2	0 3½	0 2	0 2	0 2	0 2½	0 2	
Onions, per bushel	0 2	0 0¼	0 1	0 1	0 1	0 1	0 1½	0 0¼	
Oysters, per barrel	1 0	0 4	0 6	0 3	0 3	0 3	0 4	0 4	
Vinegar, per barrel	1 0	0 4	0 6	0 3	0 3	0 3	0 4	0 4	
Cheese, per cwt	0 3	0 1	0 1½	0 1	0 1	0 1	0 1½	0 1	
Ploughs, each	0 6	0 2	0 3	0 2	0 2	0 2	0 2½	0 2	
Hides, per cwt	0 3	0 1	0 1½	0 1	0 1	0 1	0 1½	0 1	
Skins, sheep, deer, &c. per cwt	0 3	0 1	0 1½	0 1	0 1	0 1	0 1½	0 1	
Horns, per cwt	0 3	0 1	0 1½	0 1	0 1	0 1	0 1½	0 1	
Hay, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Bran, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Bricks, per ton	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Firewood, per cord	0 7½	0 2	0 3½	0 2	0 2	0 2	0 2½	0 2	
Cedar Posts, per cord	2 6	1 0	1 3	0 10	0 10	0 10	1 0	1 0	
Tan Bark, per cord	1 6	0 6	0 9	0 6	0 6	0 6	0 7½	0 6	
Stone, per cord	1 3	0 5	0 7½	0 4	0 4	0 4	0 6	0 5	
Wool, per ton	5 0	1 3	2 6	1 8	1 8	1 8	3 9	1 3	
Stone Ware, per ton	5 0	1 3	2 6	1 8	1 8	1 8	3 9	1 3	
Flax Seed, per barrel	0 6	0 2	0 3	0 2	0 2	0 2	0 2½	0 2	
Vessels, under 40 tons burden	5 0	5 0	.....	.....	.....	.....	.....	5 0	
Vessels, 40 to 50 tons burden	10 0	10 0	.....	.....	.....	.....	.....	10 0	
Vessels, 50 tons and upwards	15 0	15 0	.....	.....	.....	.....	.....	15 0	
Boats for passengers, 3½d per mile, or	5 0	5 0	.....	.....	.....	.....	.....	5 0	
Boats for freight	2 6	2 6	1 3	1 3	1 3	1 3	1 3	1 3	

In concluding these my remarks on the general management of the Welland Canal from the period of its commencement, I beg to remind the Committee, that at the commencement of this investigation I offered promptly to admit all such allegations as were true, and leave the Committee to judge of their importance or character:—To this Mr. Mackenzie objected, claiming the right to conduct the proceedings in his own way, to which the committee assented. He has occupied the time of the Committee from the 27th January to the 26th of this month, making up, reading over, and explaining his voluminous statements, and examining witnesses.

After closing his case, as he terms it, on Saturday the 26th inst., I again offered the Committee to rest the defence of the Company entirely on their judgment by a brief verbal explanation of the statements he presented, providing only the evidence adduced was to be printed with the report;—this after a consultation was rejected, and I was recommended to give in a written statement in reply, in such manner or form as I thought proper.

In consequence of which, under the impression the whole was to be laid before the public, I drew up a hasty and brief reply to each accusation; and in order that a plain simple statement should be presented to the public, I have given a brief statement of each year's transaction as it actually occurred, together with the official documents and monthly minutes of the proceedings of the Board, in order that those who may take an interest in the transaction may not prejudge the proceedings of the Directors by misrepresentations and extracts selected to give a semblance of truth to a particular proceeding, and the very document or extract from the minutes to shew its absurdity suppressed.

My reply to all the voluminous matter presented by the Director of 1835, has only occupied the time of your honorable committee, including the examination of my evidence, 2 hours on Monday the 28th, and 2 hours on Thursday the 31st inst.

As I understand Mr. Mackenzie intends to address your Committee with a view of impressing the importance and utility of his proceedings, to which I am not entitled to reply, I will briefly recapitulate the substance of his accusation.

The first 6 questions relate to the Secretaries, and the manner in which the books have been kept.

When the objection was first made, every director manifested their anxiety to institute an immediate investigation—the only difference of opinion was the motive—he alleging intentional fraud and the abstraction of large sums, the Directors admitting errors, but from the characters of the Secretaries and ample security given did not believe either fraud or defalcation to any amount existed; they adopted the only remedy in their power in guarding the interest of the Company by taking security.

No. 1. Imputing fraud has not been made out by any evidence whatever.

No. 2. That erasures have been made to the disadvantage of the company—the only one referred to by any evidence is the £94 in the lock account of Mr. Oliver Phelps in the year 1830, which is to be

charged to Mr. Black until a satisfactory explanation is given by that gentleman, who does not at present recollect the circumstance. The one in old leger folio 402 of £50—heretofore alluded to being paid Thomas Merritt from toll account in 1833 is satisfactorily explained by the affidavit of Mr. Calaghan who made the entry.

No. 3. That false and erroneous entries have been made—That erroneous entries have been made was never disputed but promptly admitted from the first, but from no improper motive.

No. 4. That there is a great defalcation on the part of the officers of the Company. This is denied, and the investigation already made, and any which may hereafter be made by competent and unprejudiced persons will bear them out.

No. 5. That false accounts have been sworn to and laid before the Legislature. This refers to the balance sheet of 1832, where an item is charged as paid to George Keefer to be expended on Grand River claims, it was correct as taken from the books at the time, but a part of the same money was expended for other purposes, and not for this particular purpose, viz:—Grand River claims as then extended.

No. 6. That important transactions of large amount have been improperly withheld from the Company's Books. This alludes to the toll of 1830, 1831, and 1832, the receipts of which were regularly laid before the Legislature in each year, consequently no attempt was made to conceal the amount received; accounts of expenditure were kept in books expressly opened for the purpose in the office—It is true they were not entered on the leger at the time they should have been—the delay occurred as explained by Mr. Clark in consequence of not having settled all the forwarding accounts, some of which remain open to this day, but from no other motive.

No. 7. That the charges by the officers are improper. The charges referred to were examined by a Committee of the House in 1830, and since that period each succeeding year; and not only approved by the Board of Directors, but by the different Committees appointed for that purpose, and incurred as early as 1825, when the Province had no pecuniary interest in the undertaking.

No. 8. That the officers of late years have taken their own salaries out of the funds without authority of the Board. By reference to the books of account it will be seen that the Company had not means to pay the officers, who were generally in arrear—that when a general order to pay a given sum per year is made it is carried to their credit as a matter of course, and no particular order for that purpose is necessary; it could have happened only in a few instances at most, and is of no consequence whatever; the same result would take place by paying them by one order, stating the amount of salary they were to be paid, or swelling up the minute book by entering an order every month.

No. 9. That persons have had access to the books and altered them at their pleasure, and made entries contrary to the standing orders of the Board—This charge is not supported. No person has had access to the books without the permission of the Secretary, and no entries have been made contrary to the standing order of the Board.

No. 10. That loans have been made to Directors, Officers, and others, without the consent of the Board—This is true on two or three cases as stated by Mr. Clark, but every farthing was returned, and the interest gained by the Company for the period.

No. 11, That one set of books of account are kept by the officers, and another for the inspection of the Board—This is true, but the inference drawn from it incorrect.—The one set of books kept with contractors is to enter the different items or payments made at different periods, advances, assumption for debts, and cross entries, necessary to keep on the work when without means; the other is the principal books of account, shewing amounts paid on the estimates.

No. 12. Alludes to myself and Mr. Clark, having been appointed Secretary and not making entries, although it was our prescribed duty—The order appointing myself Secretary in 1832, shews clearly it was merely altering the name from Agent, the duty of which I performed, and Mr. Clark that of Accountant, who gave security for the money at the time—this charge relating to myself disproved by my own evidence as well as the minutes, which clearly relates the transaction.

No. 13. That a system of favoritism has prevailed—The current testimony he has produced disproves this charge.

No. 14. The evidence he has adduced on this charge is expunged by order of your Committee.

No. 15. This charge has been so often before the public and different committees since 1825, that it is hardly necessary to revert to it again at this remote period, eleven years after the occurrence took place—it only shews the want of any real offence to bear him out in his accusation against me personally.

No. 16. That valuable mill sites have been given away—This is true in one solitary instance,—to Mr. Keefer in 1825—a matter of public notoriety since that period, and which was before the public became interested in the Canal.

No. 17. That the President, Agent, and some of the Directors, have been improperly employed in forwarding goods and leasing water power. If taking a share in two or three vessels constitutes a forwarder of goods, this charge is true, but not otherwise. From the extreme want of capital some of the Directors took shares to promote building of vessels by concentrating the small means individuals possessed on the line of the Canal.

No. 18. That a bargain has been made, injurious to the interests of the Company and Province. This relates to the sale of water power to the Hydraulic Company in 1831, and the repurchase in 1834. This transaction is clearly detailed in the Company's last Report. The purchasers would be very happy to be reinstated in possession of this property, consequently neither the Directors, nor any person concerned, can be subject to improper motives in relation to the transaction.

No. 19. That George Keefer, Esq., was improperly connected in the contract for the locks. If the furnishing timber to a contractor at a given price for building a lock when that contractor is paid a given price for each lock, is more improper than selling him a quantity of iron, plank, or other mate-

rials, which compose the same be improper, Mr. Keefer is subject to the imputation, but not otherwise.

No. 20. That important original estimates, contracts, &c., are missing at the canal office—This is true in part, as relates to two estimates, but no injury arises from it, as the copy and Books will shew. The circumstance is explained by Mr. Keefer. It is not extraordinary that papers may be missing during a period of thirteen years, particularly when the officers had good reason to suppose everything, up to 1830 at least, was fully settled.

No. 21. With respect to this charge, as Mr. Robinson has been prevented from satisfactorily settling those accounts by Mr. Mackenzie refusing or neglecting to furnish the Report in time, as promised, an opportunity will doubtless be afforded him by the committee to do so.

No. 22. That the Board has frequently entered into contracts it was without the means of paying, and agreed to issue money it could not possibly redeem. With respect to the first charge, it is quite true they have at different times entered into contracts of large amount without the means of payment in hand—at the close of every Fall almost since the work commenced, the Company were without funds. Their only alternative was to let out the work, to get it finished, and open the navigation on credit, and depend on their future exertion to obtain means—or stop its progress. Such was the confidence reposed in the Directors at that period that they had no difficulty in letting out the work. The contractors trusted in their zeal and sincerity to use the best exertion to obtain means, which they believed would be successful. Instance the large contract with Donaldson and Davis, in the Fall of 1829, from Marshville to Broad Creek, and in 1832, at Gravelly Bay—and it is questionable had not the Directors adopted that plan, if a Canal would have been in existence at the present day. It is also true that the same motive led the Directors last Fall for the same object, repairing the Locks, unanimously to agree to issue their Bonds or Notes payable in one year. If this proceeding was incorrect they are answerable, *not otherwise.*

No. 23. That the Canal Directors and officers have mixed up politics and tampered with the public press. This is equally absurd and unfounded—its proof is a private letter written by Mr. Dalton and two or three other individuals to Mr. Merritt, which the Director of 1835 obtained extracts from in a manner which he considers creditable, but in no instance has any interference on their part been shewn—on the contrary it is a subject never entered or acted upon on any occasion without my knowledge. On the contrary the feeling entertained by the Directors and myself was always with those who were in favor of the work, within reference to party; many instances could be adduced to prove it—all the frontier, Tory or Reformer, was against it, almost to a man, and those in the interior, the reverse.

No. 24. That the majority of the Shareholders appointed the Directors, is also true—and that in one instance the President, the Hon. J. H. Dunn, was appointed President on motion, instead of ballot, when the Directors were unanimously in his favor.

No. 25. That the Canal has been taken to particular places to serve interested individuals. This charge has not been supported by a single proof, but on the contrary even the opposition of Mr. Gordon at the time was withdrawn, as shewn by his testimony—before a Committee of the House of Assembly, of the Session of 1825 and 1326. [See evidence to Report of Committee of House of Assembly appended to my remarks on Canal of 1825, marked No. 4.]

No. 26. That the payment for a Steam Dredge was made under suspicious circumstances. This is also a surmise, unsupported by proof. Mr. Yates received the money from us, and paid Lynds, the maker of the Engine, in place of the individual himself.

No. 27. That $10,000 was loaned Mr. Yates while many creditors remained unpaid. This is incorrect, as will be seen by reference to Books. The Company had money on hand when the Loan was made. It is repaid with interest, the amount of which was gained by the Company.

No. 28. That $30,000 of debt due by Oliver Phelps was improperly placed to profit and loss, and in releasing him the Company forgot the interests of the Canal and the country. This arose from charging Oliver Phelps the entire amount of money he received on his Deep Cut contract, and crediting him for the number of yards excavated at 27 cents per yard. After the work was done, and a computation made by their Engineer, it appeared from his opinion that Mr. Phelps was not paid in the same proportion of other contractors who had commenced the work. The subject was delayed for some time, but his security was relinquished with the unanimous consent of every Director. If the sum of 34 cents per yard is too high for the work he finished, then they have paid too much, but not otherwise.

No. 29. That proper precautions were not taken. This has not been proved, but on the contrary the general evidence, particularly that of Mr. Trotter, shews there was a well dug at north end some feet below the level—but such is the gentlemans zeal for making accusations, that every casualty is turned into a subject of reproach.

No. 30. With respect to this charge—That the books and papers were taken out of my hands—is intended to imply that they were in my possession, which is not the case—they were in possession of the Secretary, and him only. The order of the Board will shew that every caution was pursued, and an investigation made, the result of which is corroborate by the one which has taken place under the direction of the committee, and no good or sound reason ever existed for suspicion of the integrity of the officers.

I have not attempted to impress on the consideration of the Committee the arduous and complicated duty the officers of this Company have had to perform; or out of the many thousand people with whom their transactions have necessarily extended, although frequently cramped for means, how few have ever complained. Much might be said on this head respecting management, but they forbear any further remarks;—they ask no favor, they only require *Justice.*

If however the Committee consider the Directors or myself—who in truth is the only person designed to be implicated, and the only one deserving censure

for bad management—all the favor I ask at their hands is that the shareholders who had no participation in the management may not be ruined by further procrastination, and as all parties agree in the opinion that the work cannot be well conducted on the present system, that they will adopt some prompt and decided measure, either to purchase out the shareholders or place the entire responsibility of the work on them.

I have the honor to be,
Gentlemen,
Your obedient servant,
WILLIAM HAMILTON MERRITT,
President of the Welland Canal Company.

COMMITTEE ROOM, H. of A.,
Toronto, 31st March, 1836.

Mr. Merritt closed his vindication of the character of the officers and managers of the Welland Canal Company, against the charges brought against them by Mr. Mackenzie, and retired.

The Committee then adjourned.

FRIDAY, 8th APRIL, 1836.

Committee met.

PRESENT—James E. Small, Esq., *Chairman.*
Messrs.—Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver, and
Thorburn—8.

ALEXANDER Y. MCDONELL, Esq., *Vice Prssident of the Welland Canal Company, called in & examined.*

(By Committee.)

822. In what relative situation do you stand with regard to the Welland Canal Company or any of its officers?—I am a Director of the work and a partner of Ogden Creighton another Director, in other business, and interested one sixth with Mr. Merritt in a mill at Gravelly Bay.

823. Are you the agent of John B. Yates, Esq., and if so did you give him any undertaking in writing that you would hold the water privileges and lands of the Welland Canal Company conveyed to you by deed bearing date the ——— day of —— 18—, in trust for him to his use and subject to his order?—I hold the property of the Hydraulic Company, I have executed a trust shewing the nature of our arrangements as partners: the partnership consists of Messrs. J. B. Yates, Ogden Creighton, and myself. I will also add that I have made a bill providing for the continuance of the trust. The original instrument is in the hands of Mr. Yates.

824. What portion of the £25,000 to be paid by you for the Hydraulics and lands of the Company mentioned in the above described deed has been paid to the Company; and what amount of interest upon the said sum of £25,000 has been paid since the execution of the deed?—No part of the £25,000 named as purchase money to be paid by the Hydraulic Company to the Welland Canal Company was ever made, and was not from the terms of the sale contemplated—the interest was paid regularly except that allowed by commuting for the loss of water which was extended generally through the line to leaseholders, the amount can be seen by reference to the company's books. To make this purchase available a large outlay had to be made; no confidence existed on the part of strangers in the work, and few could be induced to risk capital on what they supposed such a precarious issue; the lands were chiefly waste, and to reduce them to cultivation large and extensive drains had to be made; this, together with roads, raceways, and Mills at Marshville, formed a large proportion of the expense on those lands. Mr. Yates held always the control, and never would suffer long leases to be given of water, remarking that it should not be his fault if any impediment was offered to a compromise with the Legislature and the private stockholders. These circumstances are barely mentioned to shew the relative understanding on these matters.

The Hydraulic Company was formed in 1831, after the purchase of all the lands and surplus water of the Welland Canal Company.

The sale arose from an objection on the part of Mr. Yates to make the water power an object of no other moment than that of an increase revenue by the operation of machinery. Mr. Yates stated that they were worth a large sum of money, and if they were parted with they should be sold after being advertised for one year in all the newspapers of note on this continent. Accordingly when the day of sale arrived, the highest offer made was thirty thousand dollars, when seventy thousand more was offered in addition by Mr. Yates;—the property sold to him agreeably to the terms advertised. The prevalent opinion then was that the purchase money to be paid was far beyond its value;—no comment was made until the lateral canal to Niagara was brought before the House of Assembly, when from the debates an apprehension that an interference with these rights so transferred was contemplated by the then member from the town of Niagara. The object of the mover was frustrated, and confidence restored. Some time afterwards an opinion was expressed by many gentlemen that they thought the sale objectionable in point of expediency, when the offer of an immediate transfer was made. On the repayment of the outlay this was not taken advantage of. The year following similar remarks were made on which it was referred to the Government Directors; when the situation of affairs was placed in their present situation this contract as intimated was never screened from public view,—so far to the contrary the purchasers applied to the Legislature for an act of incorporation, and every means that could be adopted were resorted to to give publicity to their purchase, and no pains spared to bring it into notice. A speedy return might have confidently been expected had not Mr. Yates, who held the controling power, obliged the leases and contracts to be made in such a manner so as not to impede any negotiation then spoken of between the Government and the stockholders.

825. When did the resale to the Company of a portion of the property so conveyed to you take

place? What were the terms of the bargain?—Was it made with the knowledge and consent of Mr. Yates?—What amount of interest has been paid you upon the contract?—and what portion of the canal and water privileges are retained by you?—Describe the same particularly, and the present value thereof.—By reference to the Report of the Government Directors those facts will be ascertained—the property retained is 50 acres at Allanburgh, with the water power of that place, and 140 acres at Port Colborne. The water power at Allanburgh should be worth £100 a year. I last year purchased 50 acres in the heart of the place for £10 per acre. The extensive machinery erected here has made land valuable; I have generally sold at £25 quarter acres the first choice.—On Gravelly Bay purchase 18 months' interest has been paid.

826. Can you give any information upon the subject of the mortgage of Oliver Phelps being given up to him, the value of the land taken by the Company from him—and why upon this arrangement his accounts with the Company were not balanced?—Mr. Phelps' mortgage was surrendered to him on his giving a deed of 50 acres of land in Centreville, which place it was then supposed would be the point of intersection for the Niagara side cut and then thought valuable;—the present valuation I should think £10 per acre.

827. Where is the minute of the Board agreeing to give up to Oliver Phelps the debt he owed on the Company's Books in consideration of fifty acres of land?—I cannot say, the minutes not being in my possession.

[Witness withdrew.]

DAVID THOMPSON, ESQ., (of Wainfleet,) *called in and examined.*

BY MR. MACKENZIE.

828. Did you ever ascertain how it was that Mr. Phelps contrived to get his partners in the locks contract out of his way, so that he got the deep cut job to himself, with the money of the province to complete it?—I know nothing as to that, only by report.

829. Did Mr. Oliver Phelps complete his deep cut contracts? Did he bottom the sections he had to excavate?—He did not fully bottom the job, a considerable quantity of earth remained on the sides, which he had prepared scows to take away, but the slips took place and prevented it.

830. Had the Engineer on the Deep Cut the power as well as the disposition to check and prevent Mr. Phelps from obtaining estimates and payment for work he never performed? Or what was the usage?—I presume the Engineer was instructed to give true estimates, but notwithstanding from the irregular state of the work and taking monthly estimates, they were often incorrect. It is extremely difficult to estimate work correctly unless it is kept in regular order. I know that the previous estimate of 1828, so far as respects 10 chains taken by myself is incorrect—I refer to a statement I gave the Company. I consider Mr. Phelps at the onset of the work, by getting large advances, placed the Company completely in his *power*, and continued them so. If the statement produced by Mr. Phelps, to this committee in answer to question 271 is meant to shew an account of property sold during the progress of the work, it is incorrect. I paid him much higher prices than it exhibits, for oxen and carts—I consider also his statement shewing that the work at the deep cut done by him cost less than that by other contractors, also incorrect. He was made large allowances for roads, wintering of cattle, building of machines, purchasing of shanties, &c., which was not allowed to me as a contractor, nor do I think to others. In shewing the statement of the average cost per yard I understand him as taking into consideration the large portion taken out the previous year on the whole length of the deep cut and near the surface. If I am correct in my understanding of the statement, he received much more according to the depth of cutting than other contractors. I am not aware of any hard pan being in this work, yet there was stone. He injured other contractors by increasing the wages and the allowance of spirituous liquor, and often giving brandy, and others had to follow this example or they could not keep their men—and all this it appears was done with the Company's money. I do not consider that he managed the work economically. I believe he sold the remainder of his cattle in the fall of 1828, after the slips took place.

In the fore part of 1828, I was led into a job of 10 chains, to be paid the same as Mr. Phelps got; as yet I have not been allowed any of the extras given to him—not yet for many yards taken out for the first two or three months. I carried on this job as all others with my own means. The Company owed me in January 1829, over £3,000, the greater part of which remains unpaid. The Company's proceedings were so very partial in settling for the Deep Cut work I subsequently brought a suit against them for the balance due thereon and Notes of hand; they came into Court with the late Attorney General, Mr. Boulton, and then took advantage of some informality on the part of my attorney, and nonsuited me. Since that time there have been several agreements to refer to arbitration; the same account yet remains unsettled. From a statement in a note from the Secretary Black that no advances were made to Contractors on the Deep Cut—I was induced to make large loans to the late Mr. Hartwell in money to be paid out of his estimates to enable him to carry on the work, presuming from that statement that he could not be indebted to the Company, a large part of which is still owing to me, amounting to about £400—that at his death the Surrogate placed the estate in my care until it could be administered on, and I was induced by the Company to carry the job on in trust for some time, and then to purchase a large number of oxen, carts, &c., under a verbal agreement, to be paid for its completion that retained by the Company, which was represented to be a large amount. That not long after this arrangement I learned that they had taken a considerable sum from the reserve to liquidate a debt due by the late Mr. Hartwell to the Company, and which until then had been kept from me. The consequence was that the job could not be completed for the balance. I then tendered all the property and the job to the W. C. Co., who declined accepting it, and induced me to persevere, which I did until the work was abandoned, charging them with the cost thereof; the consequence is, a considerable balance remains unpaid

and forms a part of the item of debt due me already alluded to.

831. The Engineer, Mr. George Keefer, tells that you got 31$\frac{34}{100}$ cents per cubic yard, for your Deep Cut Contract. Is this the fact, and what measurement did you get? I have no means here to ascertain whether I was allowed 31$\frac{34}{100}$ cents per cubic yard or not; it may be perfectly correct so far as it goes, but I do here distinctly declare that I took out in the first 2 or three months, many yards that were never estimated, exclusive of roads;—I beg to refer to the statement furnished the Company already alluded to.

832. It appears that when Phelps was a contractor on the Deep Cut he was paid £1200 as an allowance for roads. Did the Directors allow you and the other Contractors a proportionate sum for making roads? The Directors did not allow me any compensation for shanties, machines, roads, nor yet a drawback of duties. I do not know that they allowed other Contractors.

833. Did the piles of earth Phelps placed on the margin of the Deep Cut banks accelerate the slides? This question I consider as a matter of opinion, and mine is that it would have slipped had that not been the case, being founded on quicksand, but probably not quite as soon.

834. What is your opinion of the workmanship of Mr. Oliver Phelps' 34 Locks?—I do not profess to give a correct opinion, but from some giving way much sooner than the others, I presume it was owing to the workmanship.

835. Do you know that Mr. Phelps is a poor man from whom a debt of £7,500 could not be collected? I consider Mr. Phelps a wealthy man worth much more money—yet I beg to add that the most economical man in the Province could not have done the Deep Cut at his original contract price: this I give from actual experience, and under the most favorable circumstances as to means. I well understand labour.

836. Two large contracts—one for the berm bank to Thomas Merritt's Jr., and the other to John Donaldson, were contracted for two winters ago. Was there a fair attempt to induce competition, or did you perceive a disposition to favouritism and letting without advertising?—I was not aware of the letting of this work until after it was given to them.

837. What was Mr. Black's practice with regard to receipts? Did he take 1st one receipt or voucher and then another for the same sum of money, or only one?—Mr. Black so far as I recollect, did take receipts on payment of money, he has in some instances taken receipts for payments on granting due bills, and again on payment of said due bills, but in the accounts current rendered to me, so far as payment of money goes, all appeared correct or was made so on reference.

838. £1340 7s. was paid by the Canal Company for upwards of 200,000 square feet of timber for a Tunnel, no part of which appears to have been used for that purpose. No part of the receipts from the sale of that timber is entered on the Company's Books, and those of the officers who have been examined declare their inability to account for any part of it. Are you aware what has become of it? Some part of this timber was worked into the towing paths on River Welland; a good portion used up by Mr. Phelps: 5,000 feet of the small timber was put into the Allanburgh Locks.

(By Committee.)

839. How was it that Oliver Phelps succeeded in getting such good measurements in excavating the Deep Cut?—I refer to a former answer on this subject.

840. Have you been a contractor for making Berm Banks on the Welland Canal; and if so what was the rate of the contract price per yard?—I was a contractor and the rates per yard of any contract price was 13 cents.

841. Would you have taken any more contracts of this kind at the same rate per yard had any such been offered to let?—I would.

842. Do you know the nature of the soil and size of the Berm Bank now under contract by Mr. T. Merritt between Broad Creek and Dunnville, and if so will you state to this committee if you would have taken that work at the same rate as the jobs you were a contractor for?—I know the nature of the soil is of a looming nature, easily dug—It would be a better job at the same rate.

843. How many yards did you excavate or remove from your work?—I have no means here to enable me to answer that question.

[*Witness withdrew.*]

The Chairman was requested to prepare the draft of a report to the House founded upon the evidence taken before this Committee.

The Committee adjourned till 10 o'clock A. M. on to-morrow.

SATURDAY, 9th APRIL, 1836.

Committee met pursuant to adjournment.

PRESENT:

James Edward Small, Esquire, Chairman.
Messrs.—Chisholm,
Gibson,
McDonell,
Parke,
Roblin,
Shaver,
Sol. General,
Thorburn—9.

The Chairman presented the draft of a report, which he had prepared agreeably to the order of yesterday—which report was adopted, signed by the Chairman and several members of the Committee, and ordered to be presented to the House forthwith.

The Committee then adjourned.

JAMES E. SMALL, *Chairman.*

ALFRED PATRICK, *Clerk.*