

such a trade as I have endeavoured to represent, passing through this province, would confer very great benefits on its inhabitants, it would confer still greater on the British people.

The great public works of Canada were perhaps undertaken to an imprudent extent; but having been commenced, their completion is an object of paramount importance, for the two-fold consideration that the heavy sums which have already been expended on them must otherwise be lost, leaving the province still liable for the debt incurred; and that what is now a cause of deep anxiety and pressing difficulty to the colony may be converted, by a further outlay, into a source of national and provincial prosperity.

Even were the national credit to be extended in aid of Upper Canada, for the attainment of this great object, the people, I am satisfied, would cheerfully submit to the *commercial taxation* necessary to secure the money that might be advanced for the public benefit, and would apply themselves with zeal to the completion of their former undertakings.

I urge this so strongly, because I perceive almost daily, that all classes of the people view with feelings of impatience, amounting to irritation, the great waters of the province almost useless under existing circumstances, for the important purposes to which they might be applied in commanding an extensive and lucrative commerce.

I feel a perfect confidence that Her Majesty's Government will do what they can in this all important matter at this interesting crisis, either by making the great works of Upper Canada a national undertaking, or by assisting the country, with the credit of the Imperial Government, so as to enable the Provincial Legislature to carry them on, and at the same time free the country from that pecuniary pressure which, without assistance, must terminate in colonial bankruptcy.

I have the honour to be, my Lord,

Your Lordship's most obedient, humble Servant,

GEORGE ARTHUR.

The Marquis of Normanby,
&c. &c. &c.

(Extract.)

Enclosure in No. 12.

SIR,

Toronto, 12th September, 1839.

In reply to your letter of the 12th instant, written by direction of his Excellency the Lieutenant-Governor, requesting information as to the state in which I have found the Welland Canal, the extent of the present and probable trade through it, the scale upon which I propose to recommend that this work should be executed, and the estimated expense, I have the honour to acquaint you that although the Welland Canal is now open for navigation, and by constant watching it may by great care and attention be kept passable for some time longer, it is quite impossible for any one in its present state to ensure its being kept open for any length of time, or indeed to say how soon it may become altogether impassable.

The locks having been built of wood about 12 years ago, many of them are now become so completely rotten that they are liable to give way at any moment, and it has already happened during the present summer, that at two different periods of about 10 or 12 days each, this canal has necessarily been closed in order to repair some of them which had become impassable. On the latter occasion, which occurred while I was there, about 40 large schooners were collected on the canal waiting to proceed. The banks also in many places require to be raised and strengthened, and put in a proper state of repair as soon as possible.

With regard to the extent of the probable trade through this canal, I am unable at this moment to give a correct idea of it; but I am collecting a mass of very interesting information on this subject, which I propose to annex to the Report which I am preparing for his Excellency the Governor-General on the Inland Navigation of these provinces. I find that the tolls on the Welland have increased annually since it has been opened, and by a comparison of the returns of last year with those for the corresponding months of the present season, I have no doubt that if the navigation had not been interrupted during the time above alluded to, the amount received this year would have been nearly double that of last year; and from the nature of the trade, and the vast tract of country which will necessarily transmit its surplus produce by this channel to the Atlantic Ports, I am quite confident that it will very far exceed the expectations of any persons who have not visited the Western states, viz., Ohio, Michigan, Missouri, Illinois, Indiana, Kentucky, Tennessee, and the territories of Wisconsin and Iowa. I have recently visited Cleveland, and the river Miamis at the head of Lake Erie, for the purpose of ascertaining the correctness of the information I have received on this subject.

By the instructions given to me by the Earl of Durham, a copy of which I transmitted to his Excellency Sir George Arthur some time since, I am directed to assume the size

No. 12.
Sir Geo. Arthur
to the Marquis of
Normanby.
Sept. 25, 1839.

Encl. in No. 12.