

TO-JAMES H. SAMSON ESQ.

CHAIRMAN OF THE COMMITTEE OF THE HOUSE OF ASSEMBLY ON THE WELLAND CANAL

PETITION.

YORK 21st, DECE. 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 led 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 subscribed, 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 stockholders 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 nothing 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 & its low estimation among sound 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 £50,000 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.

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