

during the past year, than it had been for several previous years, the Navigation between Cayuga and Indiana was greatly impeded, and not so good as formerly; but they are led to believe that this will only be a temporary evil, and that on the completion of the embankment, now in progress on the Welland Canal feeder, the water will be raised to its usual height, and the difficulties in this part of the Navigation by that means removed.

When the Directors made their last Report, they did not anticipate the occurrence of any accident which would injure the works, as the water was then at its full height; and they conceived that their stability had been sufficiently proved. A few days afterwards, however (on the 5th May,) it was discovered that a breach had been made in one of the high embankments near dam No. 1, which was repaired with all possible despatch, but interrupted the Navigation for four weeks. The embankment having been composed of alluvial soil, was much injured by the muskrats, but as it is now constructed of stone and gravel, it cannot be penetrated by those animals; two additional waste weirs have also been constructed, which, as the works have been sufficiently tested during the present season, the Directors confidently expect will prevent the recurrence of a similar accident. In order to secure the permanent control of this vicinity, the Directors have deemed it advisable to purchase from Mr. VanEvery the whole of the Island adjoining the Company's works; and about  $\frac{9}{10}$  of the embankments connected therewith are now completed.

A want of means has as yet prevented the Directors from paying the sum awarded by the Commissioners for the mill property in the Town of Brantford, belonging to the Misses McDougall, consequently having had no control over that part, they have not commenced operations above the Cove. The Directors have been informed by their Engineer, that the River has, during the last two or three years been making a new course about  $\frac{1}{4}$  of a mile above the Brantford Bridge,