

I am not aware of the probable cost of the works now going on at Grenville, but from the nature of the excavation, I am satisfied it will be very considerable. The cost of our canal by the Rideau is estimated at £100,000. It is not unlikely that sufficient improvement might be made for that sum on the Saint Lawrence which is the more direct line of communication with Lower Canada and the natural channel of commerce. The particular object of this colony in expending money on canals, is to facilitate the transportation of our commodities to market during peace, when our exports are greatest; for which purpose the Saint Lawrence would obviously attract primary notice. If we divert the line of our intercourse with Lower Canada from the Saint Lawrence to the interior, we truly combine security in time of war, with facility of transportation at all times, but we do so by an addition of 30 locks to the canal. England being, as the parent state, charged with our protection and defence, the interior canal will be immensely valuable for those purposes in the event of war at some future day; and though it is clearly our duty to her as well as to ourselves to aid her efforts on such occasions, though our militia will abide the tug of war by the side of her gallant veterans, and all our resources be at her disposal in such a crisis, we may still appeal to her never-failing liberality, and request her to unite with us in constructing the work which we have projected, and which may be so important for the security of the country. If she should accede to our solicitations, she would probably agree to pay for the difference of lockage between the two routes, which, amounting to 200 feet, may be computed at one-third of the total cost of the canal. If she gave us her aid to this extent and Lower Canada should also contribute as much on her own account, and by reason of her equal interest in the project, there could be neither delay nor difficulty in the execution of the work. Commissioners might then be jointly nominated by the three parties to see the great work accomplished.

It would, however, be far more useful and gratifying if, in lieu of a grant of money in aid of the Rideau Canal, His Majesty's government should, on its completion, assign to this Province the property in the canal at the Long Sault, with a stipulation that government should forever enjoy the privilege of freely passing through it and the Rideau canal with boats, troops, and stores, without payment of tolls or charges of any description. A further condition might be made, if thought expedient, to repay the money expended at Grenville or a portion of it at some given period, when the revenue of the whole line of improvements might admit, or that part of the tolls which would be levied on boats navigating the Ottawa solely, might, after defraying the annual expenses for Lock-keepers, collection, &c. be paid into the military chest. At the same time it is to be observed, that it would be more beneficial to the country, if, in proportion as the revenue increased, the rates of toll could be diminished, for in this way trade would be encouraged and extended, and the reduction in the rates be eventually compensated by the aggregate receipts.

Whatever opinion may be entertained of this suggestion, it is certain that the Grenville and Rideau canals should be under the same management, in order that they might do well and be as useful as they ought to be. The charges for transportation also on them both, ought not to exceed the sums specified in the foregoing calculations.

In making up these statements I have wished rather to fall short of than to exceed the true revenue to be expected from the canal, and I should greatly regret the circumstance, if what I have said should have the effect of misleading the committee on any one point connected with the subject.—Before engaging in a project of this nature it is expedient not only to calculate the cost, but narrowly to examine the benefits it may produce and the revenue it may be expected to yield. I must confess, I have some doubts whether the Rideau canal would pay, if similar improvements were made on the Saint Lawrence. The latter route is the shortest, the most direct, and, if improved, might enable forwarding merchants to transport goods, &c. at a cheaper rate than the interior route. Commerce will always seek the cheapest modes of conveyance without much regard to other considerations, and unless we can combine low charges with other advantages, our labours will be fruitless.

In my estimate of tolls I have fixed a certain charge on the boat itself, which is greater than that on the Erie canal; I have done so for the sake of simplicity in my calculations. As our canal would almost be in effect a canal in one direction, being mostly used in the ascent only, the toll would at the outset be necessarily high, and considerable deliberation would of course be required in establishing a regular system. My information in many points connected with this subject, I beg to say is insuffi-