

served out  
cheaply, repairs  
effected, &c.

would be effected at a very reduced expense, compared with the past. At present, when Lamps get out of repair, which, from their very imperfect construction, constantly occurs, they are laid by for the remainder of the season, and the efficiency of the light of course proportionately lessened, or, if sent to be repaired, the cost of forwarding them and having them returned is as much as the value of new Lamps. These, and other matters of detail, will be more fully treated of under the head of Light-Houses. As such a Vessel would be required for these purposes during but a small portion of the Spring and Fall of each year, her services could, I conceive, be very profitably made available during the greater part of the season towards the prevention of the extensive system of smuggling now admitted to exist, as well as for other public purposes.

#### WELLAND CANAL.

The various portions of this most important work have been advanced with unexampled rapidity during the past year.

The exertions of Mr. Power, the principal Engineer, and of Messrs. Thomas Keefer, Page, Pritchard and Slater, his Assistants, have been as untiring as they were laborious; and I regret that the health of, I believe, every one on the establishment has been affected, consequently, to a greater or less degree at different periods during the season.

In their joint efforts to gain a point of most vital importance, that of having the Works throughout in such a state of forwardness before the close of the season, as would ensure the opening of the entire of the Canal to the Trade next spring upon the enlarged scale, they have been most effectually aided by the indefatigable and praiseworthy exertions of the Contractors; to the co-operation of these gentlemen, cordially given, although in several instances under very great discouragements, it is entirely owing that the great point just mentioned has been accomplished, the value of which will be at once evident, when it is considered, that from returns carefully collected, the gross amount of sailing craft tonnage on the Lakes above the Welland Canal may be taken at about 26,400 Tons, of which very little over 7,000 Tons have ever been able to navigate the Canal, but on the opening of it in spring next, owing to the large dimensions of the new Locks, all the sailing Vessels, with three or four exceptions, can pass freely through; and three large Steam Propellers, already built, whose aggregate tonnage amounts to upwards of 1900 tons, can commence their regular trips as Freight and Passenger Vessels, for which they were constructed, in anticipation of the completion of the Works.

The advantages and great increase of the Revenue to be safely calculated therefrom, especially in the early spring navigation before the Buffalo route is open, are apparent.

Besides the discouragement, (namely, inadequacy of price and certain and increasing loss,) to which I have alluded, and in consideration of which I consider the Contractors in several instances are the more entitled to credit and praise for the energy with which they have prosecuted, and the highly satisfactory and workmanlike manner in which they have put their work out of hands; I feel bound to add, that they have had throughout to contend with unprecedented difficulties.

Immediately after entering into their Contracts, the Tariff was imposed by the Legislature, which, by affecting the price of Provisions, especially in that sec-

tion of the Province, was a source of much and unanticipated loss to them. Being in the House of Assembly at the time, I contended for their being exempted from its operation, as was, I believe, the case with those having contracts under the Commissariat, but the House decided otherwise. The sudden and great rise in the rate of wages, which upon this work took place, thirty per cent at least more than on the others, was a source of great loss to those Contractors, whose prices, even at the ordinary wages, were not adequate; the consequence is, that several of them, besides losing all the Capital of which they were masters on commencing the work, have been compelled to borrow largely from the Banks and elsewhere, and will be utterly ruined unless their cases meet with the favourable consideration of the Legislature, to which I am respectfully of opinion they have very strong and substantial claims.

I am greatly averse to the making of after allowances to Contractors beyond their contract price, upon any plea of unexpected difficulties, increase of wages &c., such a course, in my judgment, tends to drive out of competition honorable Contractors, whose intention was to execute the work for the amount of their Tender. At the same time, cases may occur, and this is one, in which claims for compensation may be made and in justice acceded to, without infringing upon those principles. After the Contractors had made arrangements suitable for insuring the completion of the amount of work they had engaged for within the term of their respective contracts, a very large increase was made thereto; it having been decided, with the consent of His Excellency the Governor General in Council upon the memorials and representations of several persons extensively engaged in the forwarding Trade, to add considerably to the dimensions of the Locks, every inducement was therefore, held out to urge the Contractors to complete the works upon the increased size within the same time as they had contracted to finish them on the original scale, this they have done; but not without loss to themselves.

The benefits the Province derives therefrom are: First, the having altogether got rid of the necessity of repairing and keeping up 27 of the old Locks, which would have been attended with the expenditure of many thousands of pounds—in fact, such is their dilapidated state, that the possibility of their being maintained at all for another season, at any expense, was very doubtful; Secondly, the increased Revenue, which will be had next year, not only from the spring business, but from that of the whole season, in consequence of the Canal being thrown open to the Lake vessels generally.

As the amount which will be saved in repairs would about clear from debt the Contractors referred to, and as by this debt such considerable public benefit has been obtained, I trust His Excellency the Governor General and the Legislature will be disposed to grant the required relief.

The Steamboat entrance Lock at Broad Creek, which is at once an entrance Lock to the Welland and Grand River navigation, being now completed, and the Feeder to the Canal enlarged and deepened, the trade for the next year will be from Lake Ontario to the junction and thence by the Feeder to Lake Erie, entering the Lake by the Broad Creek Lock. This arrangement is made in order that the portion of the Canal from the junction to Lake Erie at Port Colborne may be emptied, and the several works of the deepening and enlarging of that portion, building the guard-lock, &c., affected without interruption to the trade.

The Tariff.

Great rise of wages on the Welland Canal.

Contractors' losses.

Objections to making "after allowances."

But in some cases justifiable.

Great increase of work beyond amount of original contract.

Increased work performed within the time originally stipulated.

Benefits to the Province therefrom.

Expense and risk of maintaining old Locks got rid of.

Increased revenue from the work at once obtained.

Contractors claims entitled to favorable consideration.

Port Colborne entrance will be closed for the next season, to permit of its being enlarged.

Praiseworthy exertions of the Contractors under great discouragement.

Great advantages of enlarged dimensions of the Canal and of their being available on the opening of the Canal in spring next.

Difficulties encountered by the Contractors.