

breaking the ground, on the 30th November 1824; not half a dozen gentlemen of capital or influence in the district attended. By 1825, the former scheme was considered objectionable, and a new one adopted for the admission of schooners and sloops. It was determined to have the entrance at the mouth of the twelve mile creek or Port Daihousie, and the upper terminus at the Welland River, from whence the supply of water for the canal was to be drawn. It was also contemplated, at an early day, to establish a communication between the Welland River and Lake Erie, so as to avoid the impediments to navigation below Fort Erie. It was proposed to have wooden locks 110 feet in length by 22 feet in breadth, the cross section with 26 feet at bottom and 58 feet at the surface of the water, except through the deep cut, which was to be only 15 feet wide at bottom for two miles the depth of water was to be 8 feet.

In the Summer of 1825 the Company set to work to carry out their project with an ostensible capital of \$800,000 and their history thenceforth was one of financial embarrassment.

In 1826 they obtained a loan of \$100,000 for three years from the Upper Canadian Government, and a promise of a contribution of one ninth of the estimated cost from the Imperial Government on certain conditions—the locks to be 22 feet wide and all property of that Government to pass free. In 1827, the Government of Upper Canada took stock in the undertaking to the amount of \$200,000, and the Government of Lower Canada to the extent of \$100,000. The Imperial authorities gave a grant of 13,000 acres of land in the vicinity of the Canal, and subsequently gave a loan of \$200,000 for ten years at 4 per cent interest. In 1828, a slide of earth occurred in the excavation of the Deep Cut and added greatly to the embarrassments of the Company, for it obliged them to abandon the Welland river as a feeder. The Company finally adopted the Grand River as a new feeder, and carried on the works with considerable energy, for water was let into the Canal in the fall of 1829, and in the month of November, exactly five years after the time the works had been commenced, two Schooners, one of 85 tons burthen, the other of smaller size, ascended the Canal from Lake Ontario to the Welland river. Then the Company, having accomplished so much, thought it an opportune time to seek further aid from the Government, for the purpose of carrying out the work to completion. They prayed the Legislature to grant \$100,000 and to allow them to increase the Capital Stock to \$1,200,000; and after considerable discussion, the vote in favor of the project was carried by very narrow majorities. Subsequently the Company proposed to extend the main line of Canal over the Welland river to Port Colborne (Gravelly Bay) by enlarging about 5 miles of the feeder and excavating a new Canal for the remaining distance to the Bay.