—No. 20.—

Received on 12th March, and forwarded on to the Inspector General of Fortifications.

Quebec, 17th March 1832.

(signed) Gust' Nicolls, Colonel, Commanding Royal Engineers, Canada.

Forwarded for the information of the Master General and Board, with reference to my Minute of the 4th November last, forwarding Colonel Durnford's Report of 15th July 1831.

It will be seen by a perusal of the present communication, that Lieut.-Col. By, when he wrote this Letter, contemplated the completion of the Rideau Canal by the first of this month; and it appears by the Abstract (Z.) that the total expenditure up to the 31st December 1831, was £.715,408. 15. 6., being £.22,742. 15. 6. more than has been voted by Parliament; and that a further sum of £.60,615. 10. would probably be expended for the completion of the Canal, making a total of £.776,024. 5. 6. and an excess of £.83,358. 5. 6. beyond what is already voted by Parliament. I have however to observe, that this amount only provides for the Civil and Military Establishments, up to the date of the contemplated completion of the Work. It is therefore probable there will be further excess on this Item (23.)

Columns 9 and 10 show the expected saving and excess on the respective Items of the Estimate of 31st December 1830. I have marked opposite each sum in those columns, the number of the page in the annexed copy of Lieut.-Colonel By's Report of 14th January 1831, where his detailed explanations of the causes of these Savings and Excesses may be found.

The Sums stated necessary for Blockhouses and Land Defences (£.27,750) included in the Abstract, do not form a part of the Canal Work, and therefore I conclude from Lieut.-Colonel By's explanations, will not be expended until further orders, although I apprehend that the total now stated (£. 803.774. 5. 6.) will eventually be required for the completion of the Canal with Bridges and Blockhouses.

18th May 1832.

N. R.

19th May 1832.

Ordered, That these Papers be immediately sent to the Treasury, being previously summitted to the Master General.

T. F. K.

21st May 1832.

Approved.

J. K.

## Copy of TREASURY MINUTE, dated 25 May 1832.

MY LORDS have under their serious consideration the Letter from the Secretary of the Ordnance of the 21st instant, transmitting to this Board a Letter from Colonel By, of 27th February 1832, accompanied by various explanatory Documents and Accounts, upon the subject of the Expenditure on the Works at the Rideau Canal to the close of 1831, and of that required to complete the Canal, the opening of which was expected to take place in the course of the present month.

My Lords will take into their future consideration these voluminous Accounts and Papers; but they cannot delay expressing their opinion to the Master General and Board of Ordnance on the conduct of Colonel By in carrying on this Work.