

ment because the Federal Government had no influence whatever over the Legislature of the State. The scheme was a foolish one, and impracticable. He trusted that every effort would be made to push forward this work on the Welland Canal to completion. He was disappointed in the progress which had been made on this most important work, which was the key stone of the whole arch of our system of navigation. He wished to ask the hon. the First Minister whether the contract No. 1 which was in the hands of Mr. Larking of St. Catherines, was transferred by Denison, Belden and Co., or whether the Government had made a new contract, and whether the other contracts standing in the name of Denison, Belden and Co., were still being carried on by these gentlemen.

MR. MACKENZIE: So far as I know they are carried on by these gentlemen. Mr. Larkin got the contract himself. It was not assigned to him by any one.

MR. PLUMB: Was it obtained by tender?

MR. MACKENZIE: Yes.

MR. PLUMB: Was it the lowest tender?

MR. MACKENZIE: It was the lowest tender in this way. Denison, Belden & Co. were the lowest tenderers, but they had been accused by the authorities of the State of New York of having been concerned in frauds in connection with the Erie Canal, and the Government thought it desirable not to give them the contract, and it was given to Mr. Larkin, the next lowest tenderer, at their prices.

MR. NORRIS said he was glad the Government intended taking up the work of deepening the canal to 14 feet at an early day. The extra cost required, \$900,000, would yield a better return than any money yet spent on the canal. He did not see why the banks from Thorold downwards should suffer damage even if the water were not let in for a year or two. In fact, it was necessary that these banks should lay for some time before letting in any water, in order to strengthen them. The work could not be pushed on at once. The aqueduct itself would

MR. PLUMB.

take a longer time to make than any other section of the canal. It was necessary that time should be taken to complete such works.

MR. McCARTHY said he was glad the Government saw the necessity of deepening the canal to 14 feet of water. He thought the hon. the First Minister was in error in stating the work would be completed in June, 1879. He did not think the work would be completed for two years, even with twelve feet of water.

MR. MACKENZIE said the income from the Welland Canal last year gave a surplus of \$114,000 and the surplus on the Ottawa Canals was \$16,847. On the St. Lawrence Canals there had been a loss of \$37,821, on the Rideau Canal \$35,227, and the total net revenue from these Canals amounted to \$53,000. The net revenue for the year ending 30th June, 1875, was somewhat large; it amounted to \$68,000.

MR. MITCHELL: Is that the net profit earnings of the Welland Canal over and above working expenses?

MR. MACKENZIE said it was; but it did not include the interest on capital.

In answer to Mr. McCALLUM,

MR. MACKENZIE said his impression was that the Canal Commission reported in favour of twelve feet instead of fourteen feet.

MR. LANGEVIN said he believed it was twelve feet on the St. Lawrence Canals, and fourteen feet on the Welland Canal.

MR. MACKENZIE said it was very difficult to get a depth of twelve feet in the harbours on the lakes. The depth of water at Chicago and Milwaukee was not more than twelve feet. The Public Department at Washington estimated the cost of making a depth of fourteen feet from the bed of Lake Superior and Lake Erie at \$3,000,000, with the clearing out of the Detroit, St. Clair and St. Mary Rivers, and that did not include the work properly within Canadian boundaries. An application had been made to the Canadian Government to join them in some of