

THE WELAND CANAL.

Copy of a further Dispatch from the Lieutenant Governor of *Upper Canada*, to the Secretary of State for the Colonies.

SIR,

York, Upper Canada, 28th Feb. 1828.

THE President and Directors of the Welland Canal Company have, within these few days, made me acquainted with their intention of sending Mr. Merritt, their Managing Agent, to England, in the hope that, by a full and well authenticated explanation of the great importance of the work in which they are most zealously engaged, and of its present very advanced state, he may succeed in obtaining further assistance from His Majesty's Government, and perhaps also in engaging the attention of capitalists to an undertaking of more than ordinary consequence to British interests in this part of the world.

Mr. Merritt was the original projector of this Canal, which is intended to connect the waters of Lakes Erie and Ontario by the navigation, suited to schooners of one hundred tons burthen, and has been most active and useful in superintending it, under the directions of the Board, which consists of a President and six other Directors.

I need not trouble you with explanations, which the Agent of the Company will doubtless be fully prepared to furnish, and which can be much more satisfactorily laid before you in a personal interview, if it shall be in your power to admit Mr. Merritt to an audience for that purpose, as I sincerely hope it may be.

I reside, during part of the year, within eight miles of the Canal, which I have frequently visited, and I have had every opportunity of watching its progress, and of forming a judgment, upon the most satisfactory information, as to the system and economy with which it has been conducted. My testimony on a few points, therefore, may not be unimportant, and I have great pleasure in affording it. The Canal was undertaken in 1824, by a private Company, under a charter of incorporation obtained from the Legislature; and the original design was to make it on a scale adapted to the navigation of boats drawing four feet water. It was soon, however, proposed to enlarge the scale to the present dimensions, in order to admit of navigation by sloops and schooners. The stock allowed to be held was increased with that view to £. 200,000, which, it was estimated, would cover the expense. Of this sum, about £. 100,000 was taken up in these provinces and in the United States, but principally in the United States, where one mercantile house subscribed for nearly £. 50,000. (It is to be understood, that the sums spoken of here are in provincial currency dollars, at 4s. 6d. or 18s. sterling to a pound.) The work was begun in 1825, and the interest which it became the government of this province to feel in the completion of this great Undertaking, induced me to recommend it strongly to the assistance of the Legislature. In 1826, an Act was passed here, authorizing the Government to lend the sum of £. 25,000. to the Company, which was a very material encouragement, as it enabled the Directors to make an immediate and considerable progress, and to show the possibility of surmounting difficulties in the execution, which had been absurdly exaggerated by persons unfriendly to the design. The Company, however, has always hitherto paid, and are still liable to pay the full rate of interest (6 per cent) upon this loan, and are bound to repay the principal. In the following year 1827, the progress made had been so satisfactory, and the appearance of the work was so encouraging, that the Legislature of this province passed an Act, enabling the government on behalf of the public, to take stock in the Company, to the amount of £. 50,000. and the Legislature of Lower Canada then in session, upon the application of the Company, recommended by me to his Lordship the Governor in Chief, authorized £. 25,000. in stock, to be held in behalf of that province. With these aids, the Company has accomplished a vast