

CANADA.

such as her great population might now enable her to supply. And they are equally persuaded that if the tranquillity of the community should be menaced from within, the necessary force for the maintenance of order, both civil and military, if the latter should be required, will be best provided for by the province herself.

6. With respect to the lands now held by the British Government for military purposes, much correspondence has at different times taken place between this department and the colonial Government; and I was in hopes to have received, before this time, a report from the province, which Lord Elgin was requested to furnish, classifying these lands in such a manner as might enable Her Majesty's Government to arrive at some positive decision as to their ultimate disposal. Although this report has not yet been received, I have within the last few days been placed in possession of a printed "Report of the Commissioners appointed to investigate and report upon the best means of re-organizing the militia of Canada," which goes far towards supplying the deficiency. Having consulted the home authorities in more immediate charge of these lands, I believe that the information in the possession of Her Majesty's Government is already nearly sufficient to settle the details of the plan, when an agreement has been established as to its outlines.

7. These Ordnance lands are by no means all of them Crown reserves; but, as I find noticed in the documents before me, many of them have been purchased at considerable cost to the Imperial treasury.

8. It is not, however, the intention of Her Majesty's Government to make any distinction between reserves and purchased lands; they wish to deal with the entire property solely with a view to the permanent interests of the province.

9. With this view it appears to them that the Ordnance lands at Quebec, Montreal, and Kingston should be retained for purposes of defence, in the hands of the imperial Government. There may, perhaps, be portions of these lands not required for present or future military use, in which case these may be the subject of future arrangement; but of this I cannot, with the information as yet before me, speak with certainty.

10. There is a second class of lands, not situated at these posts, and which will not be permanently occupied by Her Majesty's troops, but which in the opinion of military judges will be of importance for the defence of the province, in case of invasion. On some of them considerable sums have been expended with this view. Lands of this class it is proposed to make over to the Canadian Government for occupation and present use, but with a stipulation that they shall be kept available for military purposes, together with any buildings really requisite for similar purposes, in case they should be required at any future time for the defence of Canada.

11. There is lastly a third class, comprising lands which it is not important to retain for military purposes. These it is proposed to make over at once and unconditionally to the Canadian Government.

12. Should your Government think proper to devote the funds which may arise from their sale or other use to internal defences, as proposed in the Report to which I have referred, Her Majesty's Government would regard such an appropriation of these funds with much satisfaction, but they do not wish to impose it as a condition of the transfer.

13. I have already said that Her Majesty's Government are now in possession of materials which may go a long way towards enabling them to effect this classification; but it would be more satisfactory if they had your assistance in such a manner as you may yourself, with the advice of your Executive Council, suggest towards the settlement of the details.

14. Whenever final instructions on this subject are conveyed, pending questions touching the disposal of military stores may also be arranged.

15. It is necessary to add that any surrender of these lands by Her Majesty's Government must of course be subject to existing engagements respecting them, such as those entered into, in some few instances, with pensioners for their location.

I have, &c.
(Signed) G. GREY.