

"viduals will be found in Canada capable of reimbursing to His Majesty that Indemnification, paying in the £4,000 besides the Cost of ore which by the Conditions of the old Lease the new Lessees must pay upon getting into possession, of immediately laying out the large sum of Money necessary for the future Maintenance of the Works, and who would at the same time be willing to give even the apparently small sum, as it is stated, of £60 per annum."

The statement in Lord Castlereagh's letter that £1,500 or even £2,000 a year might have been obtained for the lease, instead of the £60 actually offered, Mr. Dunn meets by a detailed account of the position and circumstances of the men who had been preparing to make such a proposition. By this statement it is made to appear that the prime mover in trying to get possession of the forges, did so "with no better views than those of a common swindler," and had secured the co-operation of men of no means, some of them respectable, but others of doubtful reputation. "Most fortunately," says Mr. Dunn, "they disagreed among themselves before the Sale of the Lease actually took place and their project fell to the ground." There were no other men of capital in the Province, besides Monro & Bell, inclined to take up these works, and he could say from dear-bought experience, that the Batiscan Company was in no position to do so.

The importance of the increase obtained by Sir Robert Milnes, and on which he relied as one means of reducing the amount necessary to be drawn from the Imperial Government, may be estimated by the statement contained in his letter of the 1st November, 1800 (Note B, p. 14), which shows that the whole amount received at that date from the Territorial Revenues of the Crown was only £1,500, the total amount from all sources £13,199 19s. 1d. and the expenditure £25,000, showing a deficiency of almost precisely £12,000.

At Note B, is a dispatch by Sir Robert Milnes, describing the state of Lower Canada in 1800, which being printed in full need only be referred to. In the answer by the Duke of Portland, dated 6th January, 1801, (Q. 86-1, p. 3), His Grace enumerates the causes of the popular influence in Lower Canada mentioned by Milnes, and expresses the belief that no remedy can be found for the insignificant influence, in a political and social point of view, of the seigniors, except by the exertions, abilities and ambitions of the individual seigniors to emerge from that condition, aided by motives for exertion, and the holding out of all possible encouragement to those in whom suitable dispositions to take advantage of the possibilities thus afforded were to be found. In this view, therefore, His Grace was surprised that the establishment of the Canadian battalion in Lower Canada had met with no better success, its principal object having been to draw the Canadian gentlemen from their indolent and inactive habits and to attach them to the King's service. It was the intention, had any eagerness been shown to complete the first, to have formed a second and third of the same sort. Defects in the organisation of the militia are also pointed out and the remedies, but these appear to be sufficiently indicated in the calendar of the letter at Q. 86-1, p. 3.

To add to the difficulties of the position in which Milnes was placed was the opposition, according to his dispatch of the 26th of March, 1801, (Q. 86-1, p. 142) of Chief Justice Osgoode, who is charged with having laid aside all decorum and of having made use of disrespectful language towards the Lieutenant-Governor in a