

Office, in a letter dated 5th November, 1806, Dunn says: "The sale.....took place on the 1st instant, * when two bidders only appearing besides Messrs. Monro & Bell, the former lessees, it was knocked down to the latter at sixty pounds currency per annum. Although I exceedingly lament the loss which the Provincial revenue will sustain by granting the lease upon terms so very disproportionate to its actual value, I should not feel myself justified in withholding it after so fair and public a sale. I have, therefore, directed the Attorney-General to prepare the draft of the lease accordingly, which I trust will be honoured with your approbation." (Q. 100, p. 398). The answer by Mr. Windham, then Colonial Secretary, contained only a mild expression of regret at the result. The want of precaution at the sale had not, however, passed without remark. Mr. Allcock, the Chief Justice, had recommended Mr. President Dunn to have the upset price fixed at £850, and that no adjudication should be made without three bids of £25 each, but the President refused to insert such conditions. The Chief Justice adds: "This has occasioned a good deal of murmuring and dissatisfaction throughout the town and in short throughout the Province, because these rents had been given up by His Majesty, for the use of the Colony and to go in aid of the Civil Government." (Q. 101-2, p. 425). However, he said, the lease was not yet signed and he would take care that the terms of the sale should be rigidly scrutinized. Lord Castlereagh, who succeeded Mr. Windham, took a much more serious view of the matter than his predecessor. In the despatch dated 4th July, 1807, His Lordship says: "With regard to the appointment of Mr. Fargue, your stepson, to succeed Mr. Lees, as Storekeeper in the Indian Department, I think it my duty to withhold the communicating to you any approbation of this nomination, till I shall receive a more satisfactory account with regard to the letting by auction the Government Forges. It must be evident that works which had let on lease for £850 a year, and which the lessee offered to hold on annually at the same sum, could not have been suffered to be disposed of for £60 a year, if due attention had been paid to His Majesty's interests, and such a lease must be considered as unduly obtained and therefore void. And this circumstance is the more surprising as I am well informed that a rent of £1,500 a year might have been easily obtained and that offers were in agitation amounting to £2,000 a year." (Q. 102, p. 256). The reports and correspondence on the subject are voluminous. On the side of Messrs. Monro & Bell, these gentlemen maintained, that there never had been a fairer sale, and argued, by implication at least, that although from circumstances they had agreed to pay a rent of £850, yet that the reduced rent of £60 a year was the real value, the notices of the sale having, as is shown by the report of the Committee of Council, been advertised not only in the Provincial but also in papers in Great Britain and the United States. In discussing the subject, Messrs. Monro & Bell say: "It must be recollected that to embark in a Manufacture of which one is wholly ignorant, to pay down under the conditions of sale to the old Lessees the Sum of £400 besides the value of the ore drawn and prepared for the Consumption of the ensuing year, the vast Sum to be immediately expended in necessary repairs, &c., require more enterprise and capital than is commonly to be found in Canada, and We doubt much, if His Majesty's Ministers were to wish it, and that his Courts of Justice could set aside the sale, under the indemnifications which it is not denied we should be entitled to, that any individual or set of indi-

* An error, the sale took place on the 1st October.