

By the 33rd and 34th Section of an Act of the Provincial Parliament, 27 and 28 Vict., cap. 9, intituled: "The Gold Mining Act," persons who have mined for gold under Letters Patent are held to furnish accounts, and pay over amounts due to the Crown under a penalty.

Considerable mining operations have taken place in the Seigniori above mentioned since the issue of the Patent, more particularly during last year and the present one, when large sums of money have been taken out in alluvial diggings.

The Department having been informed that Mr. Alexandre Chaussegros DeLery is now the sole owner of the said Seigniori, on the 21st August and 12th September last, called his attention by letters to the clauses of the Act above referred to, requiring him to furnish the returns and pay over the Royalty to the Crown, in reply to which, Mr. DeLery *per* attorney states:

1st. That on the 9th September last, he leased his rights under the Patent for 30 years to a Mr. Trueman Coman.

2nd. That he has never worked the gold mines in the said Seigniori, by himself or others, and cannot therefore conform to the request of the Government. That Dr. Douglas, since some years, possessed the right to said mines under a lease from him, Mr. DeLery, (doubtless that to be found in *liasse* 41753 herewith) and that he has notified Dr. Douglas to conform to the law.

Further that in any case he does not deem himself obliged to furnish the returns required by the 33rd Section of the Act, as he has never by himself or others, worked the said mines under the prescribed terms, (*limites prescrites*) of the Patent, so as to have become indebted to the Crown in any sum whatever, referring no doubt, to the smelting operation alluded to in the patent.

Up to last year, exclusively, what little mining was done, appears to have been conducted by Dr. Douglas, but during the last two seasons, by the proprietors of the soil, or parties holding under them, with the exception of some slight operations by other parties holding under a sub-lease from Dr. Douglas.

The smelting furnaces referred to in the Patent, and then supposed to be the method by which the metal would be extracted, have never been, and probably never will be used, as the present system in use elsewhere is to crush the quartz and collect the gold by amalgamation with mercury. Moreover the only mines which have been worked up till now in the Seigniori are alluvial ones.

If Mr. DeLery, or his assignees, can evade the payment of the Royalty, for both or either of the above reasons, the Crown will find itself deprived of any return whatever from these mines, in every place where other parties than they may work, for the existence of the Patent precludes the exaction of license fees under "The Gold Mining Act," and in that case the propriety would suggest itself of the government taking legal steps to obtain the cancellation of the Patent, either on the ground of improvidence, should you be of opinion that Mr. DeLery had no preferential right in law to obtain it, or for such other reasons as you may consider available.

I would therefore thank you for your opinion,—firstly, on the liability of the Patentees and Assignees,—secondly, whether the government is held to recognize the latter, and, thirdly, if the liability of one or the other does not exist under the circumstances and the Crown has no means of enforcing its rightful and equitable claim, whether some and what steps ought to be taken by the government to obtain a cancellation of the patent.

I have the honor to be,

Sir,

Your obedient servant,

(Signed,) A. CAMPBELL,

Commissioner of Crown Lands.

The Honorable The Attorney General,
for Lower Canada, &c., &c., &c.