On the 29th of last December I received a letter, in cypher, from sir Henry Clinton, the copy of which is enclosed. I had last October discovered and apprehended several persons who were carrying letters to the congress, Mr. Washington and the Marquis de la Fayette, but though they are confined in separate prisons, I cannot trace the combination further than amongst the lower class of Canadians. At the same time a slip of paper found amongst the letters, contained intelligence wrote in milk, which must have been composed by some person who had more capacity and opportunity to make observations than the lower class of Canadians generally have. Mr. Du Calvet, a merchant at Montreal, is in custody on that occasion. The person who has confessed the writing the letters, says that he put Du Calvet's name to one of them at his desire; and he who was apprehended with the letters upon him, declares that he undertook the journey to the rebel colonies at the instigation of Mr. Du Calvet.

I ordered the council to assemble on the 15th of January, and with their concurrence issued the proclamation which Your Lordship will see amongst the minutes.

I did not adopt the mode proposed by sir Henry Clinton of taking the grain and provisions into my possession, and of leaving with the proprietors only a quantity sufficient for the subsistence of their families. The proclamation appeared equally efficacious and less alarming. If the inhabitants complied with the proclamation, the cattle and corn, upon the approach of an enemy, might have been transported to places of safety, and if they disobeyed it, I would have done my duty with less regret in destroying all provisions which could not otherwise have been prevented from falling into the hands of the enemy. The bishop gave me a proof of his good disposition in writing a circular letter to the clergy, well adapted to the occasion.

The inhabitants of the towns of Quebec and Montreal presented addresses to me full of sentiments of loyalty to the King, and of attachment to the constitutional government of the province. These things, in themselves, are of no great consequence, but as the merchants in the town give the tone to the traders in the country, who have but too often been the instruments of retailing sedition and rebellion to the ignorant inhabitants, I gave my consent to have the addresses with my answers to be published in the Quebec Gazette.

The legislative council renewed the ordinances which I mentioned to Your Lordship, and made in that for regulating the proceedings of the courts of justice, the alterations which I proposed, and which experience had suggested. I refer Your Lordship to my former letters for the state of the clergy.

Sir Guy Carleton had thought proper to require, by proclamation, a performance of the fealty and homage due to His Majesty from the proprietors of seigneuries at the expiration of the year 1777, and had previous to my arrival in the province, by a subsequent proclamation, prolonged the delay till the 31st of December, 1778. Perhaps it would have been better not to have taken up that business during the war, but as it had been agitated, I had reason to think that the not insisting upon it might tend to