Sincoe recognized that a naval station was necessary and he selected Toronto, which he renamed York in honour of the Duke of York, then showing some military talent in the Low Countries.

In 1794, Washington sent John Jay, the Chief Justice of the United States, to London to arrange the differences now becoming somewhat acute between the two countries; and late in that year a Treaty was negotiated whereby (inter alia) the United States were to pay the claims of the British creditors, and Britain was to give up the retained territory and posts by August, 1796.

It therefore became necessary to remove the Capital of the Province: so long as Newark was protected by British guns in the Fort across the River it was safe, but the case was quite different when the guns became American.

London could not be adopted for the Capital at the time: there were no roads, no way of getting to and out of it except through the primeval forest. In those days, water communication was practically the only means of access in summer and the lakes were the real King's highway.

Simcoe with the consent of the Home authorities, and early in 1796, selected York as the Capital for the time being, and directed the removal of the officers of the Crown to that place with convenient speed. He left the Province for England on leave of absence in July, 1796, and Peter Russell became Administrator of the Government. Before Simcoe left the Province he dissolved Parliament and issued writs for a General Election—much to the discontent of Russell, who was thereby deprived of the fees which were paid at that time to His Majesty's Representative for such services—for Russell "needed the money." Simcoe left instructions that the new Parliament should be called together at York—this of course would necessitate the

^{*}Ultimately arranged at £600,000.

7 It is a mistake to suppose as some have done that Simcoe intended York to be the permanent Capital: he never abandoned his idea that London should have that honour. This is made abundantly manifest by the correspondence in the Canadian Archives.