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CANADA AND PACIFIC TELEGRAPH.

RETURN to an Address of the Honourable The House of Commons, dated 10 May 1864;—*for*,

"COPY or EXTRACTS of any CORRESPONDENCE between the Colonial Office and the Authorities in *Canada* and *British Columbia*, on the subject of the proposed TELEGRAPHIC COMMUNICATION between *Canada* and the *Pacific* (in continuation of Parliamentary Paper, No. 438, of Session 1863)."

Colonial Office, 16 June 1864.

FREDERIC ROGERS.

(*Mr. Sinclair Aytoun.*)

Ordered, by The House of Commons, *to be Printed*, 17 *June* 1864.

402.

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COPY or EXTRACTS of any CORRESPONDENCE between the Colonial Office and the Authorities in *Canada* and *British Columbia*, on the subject of the proposed TELEGRAPHIC COMMUNICATION between *Canada* and the *Pacific* (in continuation of Parliamentary Paper, No. 438, of Session 1863).

— No. 1. —

(No. 79.)

No. 1. Viscount Monck to the Duke of Newcastle, K.G. 25 April 1862.

COPY of a DESPATCH from Viscount *Monck* to His Grace the Duke of *Newcastle*, K.G.

Quebec, 25 April 1862.
(Received 9 May 1862.)
(Answered, 124, 3 June 1862, page 5.)

My Lord Duke,

I HAVE the honour to forward to your Grace a Minute of the Executive Council, approved by me, on the subject of the establishment of a postal communication through the Hudson's Bay Territory, between Canada and British Columbia, containing a letter from the Provincial Secretary to the Manager of the Hudson's Bay Company, and that gentleman's reply.

Enclosure.

The subject is one of considerable importance, both in an Imperial point of view, and as regards the particular interests of this Province; but the letter of Mr. Alleyn enters so fully into the merits of the question on both grounds, that I do not think it necessary to trouble your Grace with any observations of my own.

The answer of Mr. Dallas would seem to imply that the existence of the present rights of the Hudson's Bay Company will prove a permanent obstacle to the realization of the views which the Canadian Government entertain in reference to the proposed communication.

As the Government of this Province have no means of acting upon the Hudson's Bay Company, except through Her Majesty's Ministers, I would, on its behalf, ask of your Grace to take such steps as may enable the authorities here to carry into execution their desire for an extension of postal communication between this Province and the shores of the Pacific.

I have, &c.
(signed) *Monck.*

Enclosure in No. 1.

Encl. in No. 1.

COPY of a REPORT of a Committee of the Honourable the Executive Council, approved by his Excellency the Governor General in Council on the 24 April 1862.

IN reference to the recent correspondence between the Provincial Government and the Governor of the Hudson's Bay Territory on the subject of the proposed overland communication with British Columbia, the Committee respectfully advise that copy of the same be transmitted by your Excellency to his Grace the Secretary of State for the Colonies.

(certified) *Wm. H. Lee,*
Clerk of the Executive Council.

Sir,

Provincial Secretary's Office, Quebec, 15 April 1862.

THE Government of Canada have had their attention very strongly directed to the important subject of an overland communication with British Columbia through the Hudson's Bay territory, *viâ* the Red River, and I am now commanded by his Excellency the Governor General to inform you of the steps proposed towards effecting this object, and to seek the co-operation of the Hudson's Bay Company therein.

The Canadian Government do not wish at present to raise any question as to the rights of the company, who must be regarded as *de facto* in possession of the country intervening between Canada and British Columbia.

They

They consider that most important public interests demand the establishment of a practicable line of communication across the continent, and they desire to have the practical aid of your Company in carrying it into effect.

Arrangements were made within the last four years for postal service with Red River; but the want of territorial rights at Red River, and along the greater part of the route, defeated the plans of the Canadian Government, and after a very considerable outlay the line had to be abandoned. Another effort is now being made in the same direction, and as the Hudson's Bay Company claim the rights of Territory and Government over this region, it is hoped they will also assume their co-relative duties, and unite with Canada in opening up the country.

The Canadian Government are about to establish steam communication with Fort William on Lake Superior immediately; a large tract of land at this point has been surveyed, and a Crown Lands agent has been recently appointed to reside there; appropriations have been made by the Legislature for roads towards Red River, on which free grants will be made to settlers, and every effort will be made to attract settlement; the ultimate object being the connexion with the Red River and Saskatchewan. Canada is therefore now prepared to guarantee that, so far as her undisputed boundary extends, every facility will henceforward exist towards a communication with the west.

The Canadian Government cannot doubt that the Hudson's Bay Company are fully alive to the vast importance of such a communication.

The recent gold discoveries on the Saskatchewan cannot fail to attract many adventurers, who must at present be principally drawn from the United States.

The Settlement of Red River itself has now its sole communication with Minnesota, and will naturally imbibe American principles and views, unless brought into connexion with the British Settlements east and west. Canada must look with some apprehension to the probable result that in a very few years the population lying to her west will be wholly foreign; and that unless facilities for settlement be afforded from Canada equal to those enjoyed from the United States, and unless efficient civil Government be speedily established, British rule over this part of the continent will virtually have passed away, and the key of the trade to British Columbia, and ultimately China, have been surrendered to our rivals.

The Hudson's Bay Company cannot desire a result that would equally militate against their own interests. And the Canadian Government therefore hopes for their hearty co-operation in opening of the Red River and Saskatchewan Territories by a communication from Canada to British Columbia.

The Government of Canada considers that in connexion with the means of transport across the continent, a telegraphic communication should be established as especially necessary for imperial interests, inasmuch as both the United States and Russia possess telegraphic lines to the Pacific; while Great Britain has no other mode of doing so, but through the Hudson's Bay Territory. Recent events have proved the paramount importance of such a line.

Leaving untouched, therefore, all disputed questions, I am commanded by his Excellency the Governor General, to state that the Canadian Government have decided at once to establish steam and stage communication to the extreme limit of the territory under their Government; and are ready to unite with the Hudson's Bay Company in a mail service and post route to British Columbia. The Canadian Government is also prepared to guarantee the construction of a telegraphic line to the extreme western limits of the province.

I request that you will inform me how far you will be prepared to act for the Hudson's Bay Company in carrying out objects of such great national importance; and which cannot be long delayed without the most serious injury to the interests of the empire, and especially to the future progress and security of Canada.

I have, &c.
(signed) *C. Alleyn.*

Alexander G. Dallas, Esq.,
Governor-in-Chief of Rupert's Land,
Montreal.

Sir,

Montreal, 16 April 1862.

I HAVE the honour to acknowledge receipt of the important communication which you have addressed to me by command of his Excellency the Governor General, under date the 15th instant, wherein you intimate the desire of the Government of Canada to establish an overland communication with British Columbia through the Hudson's Bay territory, as well as the steps proposed towards effecting that object; and further request the co-operation of the Hudson's Bay Company therein.

After stating that the Government of Canada, regarding the company as *de facto* in possession of the interventng territories, does not wish to raise any question as to its rights, you proceed to point out the great public interests which are involved by the formation of a chain of settlements, connecting Canada with British Columbia, by postal and telegraphic services, the paramount importance of which is proved by recent events.

You also point out the danger of the Red River Settlement, from its close connexion with Minnesota, consequent upon its isolated position with regard to Canada, becoming imbued with American principles and views, and passing away to our rivals, thus depriving the country of the key of the trade to British Columbia, and ultimately to China.

While

While fully admitting the force of the above arguments, and the immediate necessity of some arrangements being come to, I am reluctantly compelled to admit my inability to meet the Government of Canada in this forward movement, for the following reasons:

1. The Red River and Saskatchewan valleys, though not in themselves fur-bearing districts, are the sources from whence the main supplies of winter food are procured for the northern posts, from the produce of the buffalo hunts. A chain of settlements through these valleys would not only deprive the company of the above vital resource, but would indirectly, in many other ways, so interfere with their northern trade, as to render it no longer worth prosecuting on an extended scale. It would necessarily be divided into various channels, possibly to the public benefit, but the company could no longer exist on its present footing.

The above reasons against a partial surrender of our territories may not appear sufficiently obvious to parties not conversant with the trade or the country, but my knowledge of both, based on personal experience, and from other sources open to me, point to the conclusion, that partial concessions of the districts, which must necessarily be alienated, would inevitably lead to the extinction of the Company.

2. Granting that the Company were willing to sacrifice its trading interests, the very act would deprive it of the means to carry out the proposed measures. There is no source of revenue to meet the most ordinary expenditure; and even under present circumstances the Company has practically no power to raise one. The co-operation proposed, in calling on the Company to perform its co-relative duties, pre-supposes it to stand on an equal footing with Canada.

It is not to be supposed that the Crown would grant more extensive powers to the Company than those conveyed by the charter. If any change be made, it is presumed that direct administration by the Crown would be resorted to, as the only measure likely to give public satisfaction.

Not having anticipated the present question, I am without instructions from the Board of Directors in London for my guidance.

I believe I am, however, safe in stating my conviction, that the Company will be willing to meet the wishes of the country at large, by consenting to an equitable arrangement for the surrender of all the rights conveyed by the charter.

I shall by the next mail forward copies of this correspondence to the Board of Directors in London, who will thus be prepared, in the event of the subject being referred to Her Majesty's Secretary of State for the Colonies.

I may state that it is my intention to make immediate arrangements, at the existing settlement of Red River, for the sale of land, on easy terms, free from any restrictions of trade. It would, I believe, be impolitic to make any distinction between British subjects and foreigners. The infusion of a British element must be left to the effects of a closer connexion and identity of interests with Canada and the mother country.

The Honourable Charles Alleyn,
Provincial Secretary.
&c. &c. &c.

I have, &c,
(signed) *A. G. Dallas.*

— No. 2. —

(No. 124.)

No. 2.
Duke of Newcastle, K.G., to Viscount Monck.
3 June 1862.

COPY of a DESPATCH from His Grace the Duke of *Newcastle*, K.G., to Governor General Viscount *Monck*.

My Lord, Downing-street, 3 June 1862.

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No 79,* of the 25th of April last, and to transmit to you, for your information, a copy of a letter from the Hudson's Bay Company (received at this department a few days after your Despatch reached me), on the subject of establishing postal telegraphic communication, through the Company's territory, between Canada and British Columbia.

* Page 3.

19 May 1862.†

Although it is not in the power of Her Majesty's Government to grant assistance from Imperial funds for carrying out the objects which the Canadian Government has in view, there would be every desire, on their parts, to co-operate in any well-devised scheme for effecting this important communication across the American Continent. As a possible preliminary to such an undertaking, I would direct your Lordship's attention to the facilities for the acquisition of land which the Hudson's Bay Company announce their intention of offering to settlers proceeding to the Red River.

I have, &c.
(signed) *Newcastle.*

† The enclosures to this Despatch will be found printed at page 3 of House of Commons Paper, No. 438, of 1863.

— No. 3. —

No. 3.
Viscount Monck to the Duke of Newcastle, K.G. 27 February 1863.

EXTRACT from a DESPATCH from Governor General Viscount *Monck* to His Grace the Duke of *Newcastle*, K.G.; dated Quebec, 27 February 1863 (No. 20).

Encl. 1.
Encl. 2.

I HAVE the honour to enclose, for your Grace's information, a report of the Postmaster General of Canada on the subject of the postal communication through what is termed "The North-West Territory" with British Columbia, and a Minute of the Executive Council founded upon it.

Enclosure 1, in No. 3.

Encl. 1, in No. 3.

COPY of a MINUTE of a Committee of the Executive Council, approved by His Excellency the Governor General, 9 February 1863.

THE Committee, having taken into consideration the report of the Honourable the Postmaster General on the expediency of opening up and better securing communication westward towards British Columbia through British territory, for a telegraphic and postal service, concur in the opinion expressed in that report, as regards the advantage of securing such communication, and humbly advise that a sum of 50,000 dollars be placed in the Estimates of the approaching Session, for the purpose of carrying out the same in the manner suggested in that report, or in any other that may hereafter be deemed more advantageous.

(certified) *Wm. H. Lee*,
Clerk of the Executive Council.

Enclosure 2, in No. 3.

Encl. 2 in No. 3.

REFERRING to the correspondence had with his Grace the Duke of Newcastle, the Canadian Government, and certain of the officers of the Hudson's Bay Company, with reference to the establishment of postal and telegraphic communication, through the Company's territories (so-called), between Canada and British Columbia, and to his report of the 31st July last on the subject of postal communication with the North-west, the undersigned has the honour to submit, for the consideration of his Excellency the Governor General in Council, as follows:

The circumstances which, for some years past, have indicated the expediency of opening up communications westward from Lake Superior derive, in the judgment of the undersigned, additional importance from the recent and continuous intercourse with British Columbia, consequent upon the discoveries there of valuable goldfields; whilst the reported existence of the same precious metal in the fertile valley of the Saskatchewan has had the effect of awakening a yet deeper interest in what in Canada is popularly known as the Red River Country.

Under so powerful an impulse, a rapid stream of emigration has set towards the Pacific, which gives indications of indefinite expansion, in view of the encouraging reports which are constantly received of the richness of the mines and the value of the country as a field for settlement. The shortest and most natural route to these inviting territories lies through the St. Lawrence and its chain of tributary lakes. But, owing to the want of facilities for transit beyond the head of Lake Superior, persons destined for the western settlements necessarily make the voyage by sea, or accomplish the first stage in the land journey (Fort Garrie, on the Red River) by way of Minnesota and Dacotah. Thus it may in truth be said that the people of the neighbouring States hold the key to the British possessions in the West; and while by this means their wild lands are being settled and improved, ours, lying immediately adjacent, and quite as well fitted for cultivation, remain a mere hunting-ground for the sole benefit and advantage of a company of traders, whose object it is to keep them a wilderness productive only of game, and who, to this end, do all in their power to divert into foreign channels, to the promotion of alien interests, the commerce carried on by them with the outside world.

In the judgment of the undersigned, the time has arrived when more decisive and effective means than have been yet put forth should be employed in opening up and perfecting the communication westward from Lake Superior through British territory. Cut off from intercourse with their fellow-subjects, except on condition of submitting to the inconveniences, the losses, and the numerous vexations of a circuitous journey through a foreign country, and which, on the occurrence of difficulty, would be closed to them, or but afford facility for their invasion and, under the circumstances, all but certain conquest, the people of the Red River Settlement have for many years past been loud in their expressions of dissatisfaction.

Minnesota

Minnesota and not Canada is, from imperious necessity, the emporium of their trade; the chief recent additions to their population are from the United States; and their sympathies, in spite of their wishes, are being drawn into a channel leading in an opposite direction from that of the source of their allegiance. In a word, the central link in the chain of settlements which should connect Canada with British Columbia is being rapidly Americanized; and, unless a prompt effort be made to advance British interests in that direction, there is reason to fear that incalculable mischief will follow.

The tendencies which have in the main operated in keeping the North Western Country closed to the industrial enterprise of the British and Canadian people may be traced to the alleged obstacles in the way of the construction of practicable roads and the improvement of navigation.

Recent explorations, however, prove these obstacles to have been greatly exaggerated.

The expeditions of the Imperial and Canadian Governments demonstrate the entire feasibility of establishing communication, for postal and telegraphic service, at reasonable rates through the territories which the Hudson's Bay Company claim as being under their jurisdiction.

Starting from the head of Lake Superior (with which, during the summer months, constant intercourse is maintained by steamers) the route naturally divides itself into three sections—the first extending to the Red River Settlement, the next stretching forward to the Rocky Mountains, and the third reaching thence to the Pacific. It may be advantageous briefly to consider the principal characteristics of each, in the order in which they are here presented.

Mr. Simon Dawson, who explored the first-named section of the route in 1858, under the direction of the Provincial Government, describes that portion of it extending from Lake Superior to Lake Winnipeg "as a hilly and broken country, intersected by rapid rivers and widespread lakes. The mountains, however," he adds, "do not rise to any great elevation, except on the immediate borders of Lake Superior, and there are some fine alluvial valleys, the most extensive of which is that of Rainy River. The lakes and rivers," he goes on to say, "present long reaches of navigable water, the principal of which, extending from Fort Francis to the western extremity of Lake Plat, is 158 miles in length. Dense forests cover the whole of this region, and the most valuable kinds of wood are seen in various places and in considerable quantities." The most difficult and laborious part of the journey is the first, leading up to the "height of land," from Lake Superior. Before Mr. Dawson's exploration the rocky, broken structure of the country by the Kaministoquoa was thought to present an insuperable barrier to further extension, except at an immense expenditure; but his examinations led to the discovery of a good line from Thunder Bay to Dog Lake, by which the entire practicability of that part of the route was established. The country from the Lake of the Woods to Fort Garrie is spoken of by the same authority as a region differing as widely as may be in its physical character from that which had previously been described. Although the distance across from the Lake of the Woods to Red River is but 90 miles, the country gradually undergoes a change for the better, until the prairie region is reached, about 30 miles east of Fort Garrie; thence through the Red River Settlements, by the Valley of the Saskatchewan, to the base of the Rocky Mountains (forming the second section of the route), the country presents the same favourable characteristics of fertile prairie, thinly wooded here and there by clumps of timber. Over this, by far the most extensive of the three divisions referred to, good natural roads, in constant use by the Red River settlers and the Hudson's Bay Company's employés, already exist; besides which, the Saskatchewan River is reported, on good authority, to be navigable for steamboats from near its mouth, with but one short interruption, to the very foot of the mountains. The crossing of the Rocky Mountains has been objected to as one of the obstacles in the overland route, but that too has been proved, by actual exploration, to be much less formidable than it had been supposed; Captain Palliser, in his report to the British Government, stating—"I am rejoiced to say that I have completely succeeded in discovering a pass, practicable not only for horses, but one which, with but little expense, could be rendered available for carts also. This pass will connect the prairies of the Saskatchewan with Her Majesty's possessions on the west side of the Rocky Mountains." And further on in the same report, speaking of another pass, explored by Dr. Hector, who was attached to the expedition in a scientific capacity, Captain Palliser adds: "He found the facilities for crossing the mountains so great as to leave little doubt in his mind of the practicability of constructing even a railroad connecting the plains of the Saskatchewan with the opposite side of the main chain of the Rocky Mountains." Dr. Hector himself in his report says, "The ascent to the watershed from the Saskatchewan is hardly perceptible to the traveller, who is prepared for a tremendous climb, by which to reach the dividing ridge of the Rocky Mountains; and no labour would be required, except that of hewing timber, to construct an easy road for carts, by which it might be attained." Of the descent on the western slope of the mountains, he remarks, "A road for carts down the Valley of Vermillion River, from the height of land to the Kootanie River, could be cleared without difficulty; for, supposing the road to follow a straight line along the river, and the descent to be uniform, which it almost is, the incline would only be 40 feet in a mile, or 1 in 135." Other passes discovered indicate equal facilities.

With regard to the third or British Columbian section, as it appears, from the views held by his Grace the Colonial Minister, that Canada would not be expected to participate in

in the construction of that part of the route, it is only necessary to say that its practicability has been satisfactorily proved. Captain Palliser, after giving all the details of his explorations west of the Rocky Mountains, claims as one of the results of the expedition under his command, "That we have succeeded in finding a way from the Red River Settlement across the Rocky Mountains to the mouth of Fraser River, entirely within British territory, and which, even in its wild state," he intimates to be "a route practicable for horses throughout." And here it may not be inappropriate to remark that there is abundant reason for believing that the hearty co-operation of the people of British Columbia would be certain in any judicious effort to bring them into closer intercourse with their fellow North American colonists. Of the prospective value of that intercourse, and as an indication of their anxious desire for the opening-up of communication between their own Colony and Canada, the undersigned, from numerous communications received by him on the subject, takes the liberty of quoting the following passage from a letter recently written him by a Canadian resident at New Westminster: "We hope that you and your friends will not forget us here, but that your best efforts will be directed to the opening-up of a communication with this country by means of an overland route, whereby a market might be secured for Canadian produce of which the colonists here would most gladly avail themselves. I believe that Canada could supply the miners in the Cariboo district as cheaply, if not more cheaply, than they were able to get their supplies this summer. * * * This country would pay in treasure, the very thing you want; for just as soon as provisions can be obtained here at a reasonable rate, say 25 to 30 dollars per barrel for flour, there would at once be an immense extent of mining country opened up. * * * Canadians now exert a controlling influence here, and our great desire is to see a practicable road constructed between the Canadian and British Columbian Provinces."

The availability, then, of a continuous route on British soil being established, the question arises as to its suitability for settlement. On this point there exists abundant favourable evidence. Speaking generally of the country from Lake Superior to Red River, Sir Alexander M'Kenzie says: "There is not perhaps a finer country in the world for uncivilized man. * * * It abounds in everything necessary to the wants and comforts of such a people; fish, venison, and fowl, with wild rice, are in great plenty." And more particularly specifying the central part of the same tract of country, Sir George Simpson, in his interesting work, "A Journey round the World," says that the country between Lake of the Woods and Rainy Lake is most favourable to agriculture, resembling in some measure the banks of the Thames near Richmond; and, describing the water-communication from Fort Francis downwards, he asks, "Is it too much for the eye of philanthropy to discern, through the vista of futurity, this noble stream, connecting as it does the fertile shores of two spacious lakes, with crowded steamboats on its bosom, and populous towns on its banks."

Corroborative of this testimony is that of Sir Alexander M'Kenzie, who, speaking of the same stream, says, "This is one of the finest rivers in the North-west. * * * Its banks are covered with a rich soil, particularly to the north, which in many parts is clothed with fine open groves of oak, with the maple, the pine, and the cedar." Of the country watered by the Red River and Lake Winnipeg, Mr. John M'Lean says: "Red River rises in swamps and small lakes in the distant plains of the south, and, after receiving a number of tributary streams that serve to fertilize and beautify as fine a tract of land as the world possesses, discharges itself into the eastern extremity of Lake Winnipeg, in latitude 50°. The climate is much the same as in the midland districts of Canada; the river is generally frozen across about the beginning of November, and open about the beginning of April. The soil along the banks of the river is of the richest vegetable mould, and of so great a depth that crops of wheat are produced for several years without the application of manure. The banks produce oak, elm, maple, and ash. The woods extend rather more than a mile inland. The farms of the settlers are now nearly clear of wood; an open plain succeeds, of from four to six miles in breadth, affording excellent pasture. Woods and plains alternate afterwards, until you reach the boundless prairie." In another place the same writer says: "Thus it happens that the Red River farmer finds a sure market for six or eight bushels of wheat and no more. Where he finds a market for the remainder of his produce, Heaven only knows! I do know this much, however, that the incomparable advantages this country possesses are not only in a great measure lost to the inhabitants, but also to the world, so long as it remains under the dominion of its fur-trading rulers.

"In the possession of and subject to the immediate jurisdiction of the Crown, Assiniboine would become a great and flourishing colony, the centre of civilization and Christianity to the surrounding tribes, who would be converted from hostile barbarians into a civilized and loyal people; and thus Great Britain would extend and establish her dominion in a portion of her empire that may be said to have been hitherto unknown to her, whilst she would open up a new field for the enterprise and industry of her sons."

On this head there is much additional testimony; but two further quotations may suffice. One is an extract from an article published in May 1860, in the newspaper established in the Colony by a gentleman from Canada, whose statements are entitled to the fullest credit: "One farmer says, that last year he put down eight bushels of wheat on four acres of land, and got a return of 153 bushels: this was 19 to 1, and about 38 to the acre; another says he put down 43 bushels on 18 acres, and obtained 753 bushels: this is more than 17 to 1, and 42 to the acre; a third put down 16 bushels on eight acres,

and

and had 401 of a return, making 25 bushels to 1, and 50 to the acre. Two others are as follows: seven bushels, sown on four acres, yield 170 bushels, being 24 to 1, and 42 per acre; again, six bushels sown on 4 acres returned 180, which made 30 to 1 sown, and 45 to the acre. The fields were accurately measured, and the facts and figures were carefully made out, and may be relied on."

The other quotation is from the evidence of Colonel Crofton, before a Committee of the House of Commons:—

"Question 3197. Mr. *Roebuck.*] Can you tell me when the spring or summer there (in the Red River Settlement) begins?—The season opens about the first week in April, and closes about the middle of November.

"3198. That is about what occurs in Lower Canada?—I thought it was about that of Upper Canada; I may be wrong.

"3199. Does the summer season close as early as the middle of November?—The summer season may be said to close in August; but the finest weather is what is called the fall, which extends from August to the middle of November.

"3200. When does the permanent snow fall?—It commences in the latter part of November, and is not off the ground until the first week in April.

"3201. Had you any opportunity of seeing anything of agriculture when you were there?—A great deal.

"3202. What sort of crops did they grow?—Oats, barley, and wheat chiefly; but all sorts of vegetables.

"3203. Did the wheat ripen?—In 90 days from sowing.

"3204. It ripened very perfectly?—It was the finest wheat I ever saw.

"3205. Was the soil fertile?—Along the immediate banks of rivers, and extending for, perhaps, the breadth of two miles, no finer loamy soil could be seen with a limestone foundation.

"3206. Is it geologically limestone?—All.

"3207. And wherever limestone is there is fertile land, is not there?—I think that is the consequence.

"3208. Do you know how far the limestone extends; looking at that map?—I have ascertained from servants of the Hudson's Bay Company that it extends, as a base of the whole prairie-land, to the Rocky Mountains.

"3209. So that, in fact, that part of the territory is fit for agriculture?—Quite so.

"3210. And would make a good colony?—It might maintain millions."

As to the Saskatchewan country, the richness of its soil and its adaptability for settlement are so well known and understood, that it is unnecessary to dwell on them at so great length.

This country is the favourite resort of vast herds of buffalo, an unerring indication of the mildness of the climate and the fertility of the soil. Captain Palliser speaks of it as a partially-wooded country, abounding in lakes and rich natural pasturage, in some parts rivalling the finest park-scenery in England.

The bulk of the valuable trade of the Red River country is at present made tributary to the Western States. Penetrating through their own unsettled territory a distance of some hundreds of miles, the people of Minnesota have spared no exertion or expense to secure the large and profitable commerce of the Red River country beyond.

The returns have amply rewarded them for their outlay. And if mere trading interests are considered as a sufficient compensation by the Minnesotians for opening up communication to the Red River (to them a foreign country), how much more ought the same considerations, when superadded to the many others of equal if not of yet higher importance, which apply in the case of Canada to cause surprise in regard to our indecision and supineness in not long before stretching forth our communications, so as to embrace a country presenting so many inviting features of interest?

The trade passing between the Red River Settlement and the United States, even in the present condition of the North-west, was stated by the Earl of Carnarvon, in his place in the House of Lords, to amount to no less than 1,500,000 dollars during the summer of 1859: added to this, traffic to the amount of at least 500,000 dollars finds its way through the channels of the Hudson's Bay. Thus there is a commerce of about 2,000,000 dollars annually maintained with the North-west, the greater portion of which, even supposing most of the country to continue under the control of the Hudson's Bay Company, would pass over the proposed new route, attracted thither by the three combined requisites—cheapness of carriage, shortness of the road, and speed.

Such being the trade of the country whilst as yet but slightly improved from its natural state, who shall estimate its value when brought under the influences of advancing civilization, and made to administer to the wants of the millions we are assured of its capability of sustaining in comfort and affluence?

The undersigned respectfully submits that such a territory ought not to be permitted longer to remain under the sole control of the mere handful of traders, however powerful and influential, who have hitherto monopolised its rich resources, and for so many years barred out all others from a participation in its advantages.

Sooner or later their hold upon those portions of it specially suitable to agriculture must be relaxed; and a movement having for its object an end so desirable is deserving of prompt and liberal encouragement. In our proceedings hitherto we have been far too tardy

tardy. Our apparent indifference and unconcern have been taken advantage of by the Hudson's Bay Company to assert, with continuously increasing pretension, their claims to the entire territory; and, to-day it may be said with truth that they feel themselves stronger than ever before in their claims to keep, if they choose, for all time to come unsettled a vast region in every way suited to human habitation.

Without any suggestion at present as to legal title, it is sufficient that we are invited by his Grace the Duke of Newcastle to join in adopting means to effect the communication on this side to the summit of the Pass of the Rocky Mountains; and that while, in his Despatch of the 3d June last, he promised the co-operation of the Imperial Government, he afterwards intimated to the House of Lords, on the 4th July last, his hope "that when Parliament met next year he should be able to inform their Lordships that some progress had been made towards the establishment of postal communication between Canada on the one side and New Westminster on the other." In the opinion of the undersigned it is not only desirable but essential that advantage be taken of the present favourable disposition of the Imperial Authorities.

The late Administration, yielding to the pressure of public opinion, exhibited, as well as professed, a strong sense of the practical importance of opening up the first link of the route. To this end subsidies were from time to time, at their request, readily granted by Parliament; but for some cause or other—whether arising from difficulties occasioned by rival claimants for the performance of the service, or want of judgment in the parties immediately concerned in the application of the funds, or otherwise, it is not for the undersigned here to express an opinion—the means granted by the liberality of the Legislature for a good and useful purpose were worse than wasted, although during the first year, before partisan rivalry had been introduced, and when real efforts were directed to the solution of the question, as to the commercial advantages and the feasibility of the project, success beyond the expectation of the parties engaged was the actual result.

As to the difficulties suggested by the Hudson's Bay Company through their officers, Governors Berens and Dallas, in the correspondence herein referred to, those gentlemen, in truth, substantially, though evidently unwittingly, vindicate most strongly the views contended for by the advocates of improvement and colonization.

The first and second of the objections of Governor Berens, as to the practicability of the route between Lake Superior and Red River, and the deductions to be drawn from the failure of the projects hitherto encouraged by the Canadian Government, are sufficiently met by what has gone before. His next statement establishes, in the judgment of the undersigned, the very reverse of the conclusions he arrives at; and one finds it difficult to account for his permitting himself to be involved in such manifest inconsistencies as are apparent on the very face of his statement.

Directly in contradiction of the well-authenticated reports of others, among them Governor Dallas, who speaks of the Red River and Saskatchewan countries as the sources of supply of the employés of the Company, Governor Berens describes the country beyond the Red River to the base of the Rocky Mountains "as a vast desert, in some places without wood or water, exposed to the incursions of roving bands of Indians, and entirely destitute of any means of subsistence for emigrants, save herds of buffalo, which roam at large through the plains, and whose presence on any particular portion of these prairies can never be reckoned on. "These, again," he says, "are followed up by Indians in pursuit of food" (a good ground, one would say, for the buffalo not remaining all the time in the same particular places), whose hostility will expose travellers to the greatest dangers." One can well fancy precisely the same reasons being given by interested parties in any uncivilized country against its settlement. The Governor evidently loses sight of his design to prove the territory to be a vast desert, when he adds to that terror those of the Indians and the buffalo. The early settler in any part of America would tell him that the regions to which the Indian as well as the buffalo and other wild animals most resorted were those above all others the most fertile and fitted for cultivation, and just the sections most sought after by the pioneer, anxious within the shortest possible period to make for himself and those dependent upon him a habitation, and to aid in conquering for his country, with his axe, his spade, and his plough, fresh accessions and contributions to civilization and improvement.

The Governor's next fear, namely, that the construction of telegraph lines would be useless, because of the probability of their being burnt up, is just as groundless, as is apparent from the fact that over the boundless plains of California, and across the unsettled prairies of Illinois and other States, these almost indispensable accompaniments of civilization are in full, active, and undisturbed operation.

So with respect to the "depredations of the natives, and the general chapter of accidents:" these are encountered in every new country, and are not in our day anything like such formidable obstacles as they have been in the past

On Governor Berens' principle, the settlement of any portion of America was a grave mistake, for at some time or other, and at every place within its vast extent, precisely the same difficulties which he conjures up in the shape of roving bands of Indians, wild animals, desolation by flood and tide, and tomahawk, as well as a "general chapter of accidents," existed over them all: however, the unconquerable white race triumphed, and to its energy and self-sacrificing exertions and indomitable perseverance the British and Canadian people are indebted for an inheritance such as Providence never before bestowed upon any race since the world began.

If they fail to improve their opportunities, the loss will be proportionate to the advantages otherwise certain of attainment.

Differing from Governor Berens as well as to the facts as with respect to the style of objection, Governor Dallas puts the whole matter on its true ground when he refers to the Saskatchewan and the Red River countries as the sources whence the Hudson's Bay Company draw their supplies of food. And the simple question in view of his admission is, as to whether or not these magnificent territories shall continue to be merely the source of supply for a few hundreds of the employés of a fur-trading company, or the means of affording new and boundless contributions to civilization and commerce; whether they shall remain closed to the enterprise and industry of millions, in order that the few may monopolise their treasures, and keep them for all time to come as the habitation of wild beasts and the trappers engaged in their pursuit.

It is but necessary to add that in point of distance, as well as in other respects, the Canadian route, with its facilities fully developed, would manifestly be the superior one.

From Toronto to Fort Garrie, by way of St. Paul (or, as it is called, the Minnesota route), the distance is over 1,500 miles; by the Lake Superior or Canadian, 1,114 miles. The former in its unimproved state was the more practicable, because of the nature of the soil, the evenness of the surface, and comparative absence of woodland; but, with each equally improved, ours would be decidedly the more advantageous.

It rests with us to see that our advantages are not thrown away.

In July last the undersigned, considering an arrangement, the preliminaries of which had been agreed upon, for the carrying of the mails to Fort William to be at once improvident and useless as regards the opening-up of the territory, recommended its abrogation and the establishment of a temporary mail-service for the season, pending further action of a more permanent character. In the report which he had then the honour to make, and which was adopted by his Excellency the Governor General in Council, the importance of aiding in the securing of the needed communication with the North-west territories was fully sanctioned. He now respectfully submits, that to render effective the suggestions then so recognised, it is desirable that immediate steps should be taken to commence, at the opening of navigation next year, a series of operations having for their object, first, the establishment of a regular mail-service to the head of Lake Superior; and, secondly, the construction of roads, and the improvement of the lakes and rivers thence westward towards British Columbia.

From the best information obtainable on the subject, and which the undersigned believes to be wholly reliable, it is ascertained that a sum of 80,000 *l.* would be abundantly sufficient for the permanent opening-up and establishment of efficient and continuous land and water communication to Red River from the head of Lake Superior; thence to the passes of the Rocky Mountains, it is estimated that an additional 100,000 *l.* would be amply adequate.

Thus the whole expenditure, including steam-service on Lake Superior and on the navigable reaches beyond, would certainly not exceed 200,000 *l.*

With reasonable encouragement from the Government, the undersigned feels justified in stating that no more than ordinary difficulty would be encountered in the obtainment of the necessary means; and he has no doubt whatever, from the repeated assurances of his Grace the Duke of Newcastle, speaking on behalf of the British Government, that from the Imperial Authorities effective co-operation can be relied upon.

The question as to what is reasonably to be expected from Canada is that at present to be considered.

In view of all the facts and circumstances, and feeling that on our people it is the initiative in the matter rests—that it is to the Province the Imperial Government looks for a commencement of the movement, a movement demanded alike from our patriotism and our interests, the undersigned considers himself fully justified in submitting that, unless the Government deem it expedient to proceed under the direction of the Honourable the Commissioner of Public Works, as soon as it can be satisfactorily shown that competent and responsible parties are prepared to assume the work, they should propose to Parliament the granting of an annual subsidy of 50,000 dollars, or such other sum as his Excellency the Governor General in Council may deem judicious, for a term of years towards the undertaking. Should the above suggestion for a subsidy be concurred in, the undersigned will be in a position to submit to his Excellency the Governor General in Council the details of such arrangements as it may be desirable to make with responsible parties willing to perform the service; but as the question of the construction of works, as well as that of carrying the mails, would be involved, it is expedient that the Honourable the Commissioner of Public Works should be associated with him for that purpose.

All of which is, nevertheless, respectfully submitted.

(signed) *M. H. Foley*, Postmaster General.

Quebec, 17 October 1862.

— No. 4. —

(No. 49.)

No. 4.
Duke of Newcastle, K.G., to Viscount Monck.
1 May 1863.

COPY of a DESPATCH from his Grace the Duke of *Newcastle*, K.G., to Governor General Viscount *Monck*.

Downing-street, 1 May 1863.

My Lord,

I ENCLOSE copies of a letter* addressed to me by Mr. Watkin, on behalf of the "Atlantic and Pacific Transit and Telegraph Company," and transmitting the heads of a proposal made by that Company for establishing telegraphic and postal communication from Lake Superior to New Westminster.

I also enclose copies of the answer which I have caused to be returned to that letter, and of a Despatch which I have addressed to the Governor of Vancouver Island. From these you will perceive that I value highly the advantages promised by this scheme, taken as it ought to be as part of a large scheme for connecting through British territory, the shores of the Atlantic with that of the Pacific; that I am prepared to accede, on the part of Her Majesty's Government, to the grant of land contemplated in the 3d Article of the "Heads of Proposal;" and that I have recommended the project to the acceptance of the Colonies of British Columbia and Vancouver Island, subject to such modifications of detail, if any, as further examination may show to be necessary. With this information I should wish you to submit the proposal for the consideration of your Government.

I have, &c.
(signed) *Newcastle.*

The Viscount Monck,
&c. &c. &c.

— No. 5. —

(No. 46)

No. 5.
Viscount Monck to the Duke of Newcastle, K.G.
8 May 1863.

COPY of a DESPATCH from Governor General Viscount *Monck* to His Grace the Duke of *Newcastle*, K. G.

Quebec, 8 May 1863.
(Received 26 May 1863.)
(Answered, No. 67, 4 July 1863. Page 14.)

My Lord Duke,

I HAVE the honour to enclose a Memorial from the people of Red River, on the subject of the establishment of communication between Canada and British Columbia. This Despatch will be delivered to your Grace by Mr. Sandford Fleming, who has been deputed by the memorialists to act on their behalf, and to submit their views to Her Majesty's Government. Mr. Fleming is anxious to be allowed to place your Grace in possession of the information which he has acquired on the matters to which the memorial relates.

I have, &c.
(signed) *Monck.*

Enclosure in No. 5.

Encl. in No. 5.

MEMORIAL of the People of Red River Settlement to the British and Canadian Governments.

THE people of the Red River Settlement hereby desire briefly to set forth their views and wishes in reference to the proposed opening-up of the road from Canada to British Columbia through the Red River and Saskatchewan region, and the establishing of a telegraphic line along the same.

The people of Red River have long earnestly desired to see the Lake Superior route opened-up for commerce and emigration, and they rejoice to hear of the proposal to open up a road and establish a line of telegraphic communication through the interior to British Columbia entirely within British territory, believing that such works would greatly benefit this country, while subserving at the same time both Canadian and Imperial interests.

With reference to that section of the country lying between this settlement and Lake Superior, it is respectfully submitted that the difficulties to be encountered in opening-up an easy communication are entirely overrated.

It

* The Enclosures to this Despatch will be found printed at pages 12, 13, and 16, of House of Commons Paper, No. 438, of 1863.

It is true that this route, for reasons which need not here be alluded to, has of late years been neglected; yet, when the fact is generally known that this was the regular route by which the North-West Fur Company imported and exported heavy cargoes for more than a quarter of a century, and which the Hudson's Bay Company have used more or less for nearly three-quarters of a century, it must be granted that the natural difficulties cannot be so great as they are commonly reported to be.

We, the people of this settlement, are so anxious to have a proper outlet in this direction, that we are quite prepared ourselves to undertake at our own expense the opening of a road from this settlement to Lake of the Woods, a distance of 90 or 100 miles, if England or Canada will guarantee the opening of the section from Lake of the Woods to Lake Superior.

From our intimate knowledge of the country lying between this place and the Rocky Mountains, we consider the project of a road in that direction perfectly practicable, at a comparatively small outlay. At all times during the summer season, loaded carts go from this place to Carlton, Fort Pitt, and Edmonton, on the Upper Saskatchewan; and last summer a party of Canadians, about 200 in number (*en route* to British Columbia), passed over the same road, and went with their vehicles to the very base of the Rocky Mountains; clearly showing that along the whole way there are, even at present, no insuperable obstacles to the passage of carts and waggons. And if in its present natural unimproved state the road is usable, it must be evident that only a comparatively small outlay would be requisite to make it all that could be desired.

The whole country through which the proposed road would run, almost from Lake Superior to the Rocky Mountains, is remarkably level. The surface of this vast region is, generally speaking, like the ocean surface in a calm; and, besides being so remarkably level, it is, for the most part, free from those heavy forests which, in Canada and elsewhere, cause such delay and expense in roadmaking. We believe a railway could be here laid at a cheaper rate than in most countries.

Having thus cursorily alluded to the practicability of the road, on which point our local knowledge and experience ought to give our views some weight, and while admitting the intense interest and satisfaction with which we view the prospect of a work fraught with so much good to us politically, socially, and commercially, we might be allowed to point out very briefly the views we entertain regarding its importance to England and Canada alike.

Canada would derive great benefit from the overland carrying-trade, which would spring up immediately on the establishment of this route, and the constantly-growing traffic of this district and British Columbia would thereafter be an ever-increasing source of profit.

Besides this, it may reasonably be presumed that the people of Central British America, present and prospective, would prove permanent and liberal customers in the markets of England and Canada. Be it remembered, moreover, that a vast fur business is carried on in this country, and that towards the Rocky Mountains gold has been discovered in many quarters. Besides gold there are iron, lead, coal, petroleum, and other minerals, which, together with the rich fur-trade, would prove a source of great wealth not only to this country but to Canada; and although the colonization and settlement of the vast area of cultivable land would somewhat curtail the territorial limits of the fur business, still the millions of acres north of the fertile tract will, in all probability, remain a rich fur-country for centuries to come.

This is the most natural highway by which commerce and general business with the East could be carried on; it would be also the most expeditious. And, as a result of such commerce and traffic along this route, Central British America would rapidly fill up with an industrious loyal people; and thus from Vancouver's Island to Nova Scotia, Great Britain would have an unbroken series of colonies, a grand confederation of loyal and flourishing provinces, skirting the whole United States frontier, and commanding at once the Atlantic and Pacific. In this connexion we feel bound to observe that American influence is rapidly gaining ground here; and if action is long delayed, very unpleasant complications may arise. Thus, both politically and commercially, the opening-up of this country, and the making through it a national highway, would immensely subserve Imperial interests, and contribute to the stability and glorious prestige of the British Empire.

These views the people of Red River desire most respectfully to present for the consideration of the British and Canadian Governments, and they earnesly hope that this year may witness the formal commencement of operations with a view to a telegraphic line, and a road from Lake Superior to this settlement, if not through the whole extent of country from Canada to British Columbia.

(signed) *James Ross*,
Chairman of Public Meetings.

Red River Settlement,
21 January 1863.

— No. 6. —

(No. 67.)

No. 6.
Duke of Newcastle, K.G., to Viscount Monck.
4 July 1863.

* Page 12.

COPY of a DESPATCH from His Grace the Duke of *Newcastle*, K.G., to Governor General Viscount *Monck*.

My Lord, Downing Street, 4 July 1863.

I DULY received your Lordship's Despatch, No. 46,* of the 8th of May, transmitting a memorial from the people of the Red River on the subject of the establishment of a communication between Canada and British Columbia, and introducing to me Mr. Sandford Fleming, who was deputed by the memorialists to act on their behalf.

I am happy to say that there appear to be good prospects of fulfilling the object of their wishes, and I have the honour to enclose for your information a copy of a letter addressed by my direction to Mr. Fleming.

29 June 1863.

I have, &c.
(signed) *Newcastle.*

Encl. in No. 6.

Enclosure in No. 6.

COPY of a LETTER from *T. Fredk. Elliot*, Esq., to *Sandford Fleming*, Esq.

Sir, Downing Street, 29 June 1863.

WITH reference to your letter of the 10th instant, I am directed by the Duke of Newcastle to acquaint you that he has given his best attention to the memorial which was entrusted to you by the inhabitants of the Red River Settlement on the establishment of a regular communication with Canada.

The question of forming such a communication has long been under his Grace's anxious consideration, and at length he has every reason to hope that it will shortly be accomplished. A scheme is in preparation, and almost matured, for establishing a postal and telegraphic communication, embracing the Red River Settlement, in the route between Canada and British Columbia. With the aid of those two Colonies, which have already been addressed on the subject, and by means of a concession to the promoters of the enterprise of land in the district of country which is free from the rights of the Hudson's Bay Company, the Duke of Newcastle trusts that the execution of the project will be entered upon at no distant date.

I have, &c.
(signed) *T. Frederick Elliot.*

Sandford Fleming, Esq.,
&c., &c., &c.

— No. 7. —

(No. 17.)

No. 7.
C. Fortescue, Esq., M.P., to Viscount Monck.

* Page 12.

COPY of a DESPATCH from *C. Fortescue*, Esq., M.P., to Governor General Viscount *Monck*.

My Lord, Downing Street, 9 February 1864.

With reference to my Despatch, No. 49,* of the 1st of May last, I have the honour to acquaint your Lordship that I have received, through the Governor of Vancouver Island, a copy of a Resolution arrived at by the House of Assembly of that Colony, on the 25th of November last, to the effect that whilst regarding the designs of the Atlantic and Pacific Transit and Telegraph Company with warm interest, the House forbears to proceed to active measures in furtherance of them until the intentions of the Canadian Government respecting the undertaking are made public.

I have, therefore, to request that you will take an early opportunity of acquainting me with the views of your Government on the subject.

I have, &c.,
(signed) *C. Fortescue,*
(In the absence and by the authority of the Duke of Newcastle.)

— No. 8. —

(No. 18.)

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Newcastle*, K.G.

No. 8.
Viscount Monck to the Duke of Newcastle, K.G.
19 February 1864.

Quebec, 19 February 1864.
(Received 8 March 1864.)

My Lord Duke,

I HAVE the honour to enclose a report of the Executive Council on the proposals of the Atlantic and Pacific Transit and Telegraph Company, transmitted to me with your Grace's Despatch, No. 49,* of the 1st May 1863.

I have, &c.
(signed) *Monck.*

* Page 12.

Enclosure in No. 8.

COPY of a REPORT of a Committee of the Honourable the Executive Council, approved by His Excellency the Governor General on the 18th of February 1864.

Enclosure in No. 8.

THE Committee of the Executive Council have had under consideration a Despatch, No. 49, from his Grace the Duke of Newcastle, dated 1st May 1863, with enclosures, on the subject of a proposal of the "Atlantic and Pacific Transit and Telegraph Company" to establish telegraphic and postal communication from Lake Superior to New Westminster, in British Columbia. The Committee have also had communication of certain correspondence laid before the House of Lords by the Imperial Government, in answer to an address, dated the 2d of July 1863, which has an important bearing on the project referred to in his Grace's Despatch.

The "Atlantic and Pacific Transit and Telegraph Company" appears to have been organized by certain influential capitalists in London, in consequence of interviews and discussions which took place between them and Messrs. Sicotte and Howland, on the occasion of their visit to England in December 1862, as Canadian delegates in the matter of the Intercolonial Railway. The proposition of Messrs. Sicotte and Howland was for "the construction of a telegraph line, and of a road to establish more frequent and easy communication between Canada and the Pacific, and to facilitate the carrying of mails, passengers, and traffic," which they thought would be "highly favourable to the settlement of an immense territory," and also of "great advantage to the trade of England." They expressed their opinion to the gentlemen proposing to form a company to construct the work, that the "Canadian Government would agree to give a guarantee of interest at the rate of 4 per cent. upon one-third of the sum expended, provided the whole sum did not exceed 500,000 *l.*, and provided also that the same guarantee of interest will be secured on the other two-thirds of the expenditure by Imperial or Columbian contributions." At a subsequent stage of the negociations, Messrs. Sicotte and Howland, though unwilling to believe that Her Majesty's Government would not accede to the proposal of co-operation, expressed their opinion that the Canadian Government would grant to a Company organized as proposed, a "guarantee of interest even on one-half of the capital stated," should the Imperial Government refuse to contribute; but they declare they would not advise or press with their colleagues a higher rate of interest than 4 per cent. These gentlemen were therefore of opinion, that to secure the object they had mentioned, viz.: "a telegraph line, and a road to establish more frequent and easy communication between Canada and the Pacific, and to facilitate the carrying of mails, passengers, and traffic," the Government of Canada would be willing to contribute an annual aid or subsidy of not more than ten thousand pounds (10,000 *l.*) The Canadian delegates did not in the opinion of the Committee over estimate the importance of the objects stated, nor the willingness of the Canadan people to grant pecuniary aid in order to secure them. But the Committee observe that the "Heads of Proposal" submitted by Mr. Watkins on behalf of the "Atlantic and Pacific Transit and Telegraph Company," and enclosed to your Excellency by his Grace the Duke of Newcastle, are for a line of telegraph only. It is true that in the preamble of the document "a mail post" is mentioned, and in the first "head" it is stipulated that the Imperial Government, the Colonies and the Hudson's Bay Company shall each grant "land" and "all such rights" as may be required for the "post route," telegraph and necessary stations; but the Company do not propose or agree to construct anything but a "line of telegraph." The road contemplated by Messrs. Sicotte and Howland to facilitate the carrying of "mails, passengers, and traffic," is not provided for in any of the "Heads of Proposal."

It is proposed in the second "head" that the line of telegraph shall be divided into sections, and so soon as telegraphic communication shall be established throughout any such section, "the Colonies of Canada, &c. will guarantee to the Company a rate of profit on the capital expended, of "not less than 4 nor more than 5 per cent.," the total capital guaranteed being limited to 500,000 *l.* Canada might thus be called upon to pay interest on the cost of sections of a telegraphic line wholly without her territory, and having no connection with any line within it.

The Committee notice also that in the observations of his Grace the Duke of Newcastle on the "Heads of Proposal" submitted by Mr. Watkin, and which observations are transmitted

mitted to your Excellency for the information of the Canadian Government, the construction of a road to facilitate the carrying of "mails, passengers, and traffic" seems not to be contemplated. The Committee further observe that while his Grace speaks of the benefit which the Colonies are to receive as that of "direct telegraphic communication" merely, he declares that "the commencement of the undertaking must depend on the willingness of the Canadian Government and Legislature to complete telegraphic communication from the seat of Government to the point on Lake Superior, at which the Company will take it up," a condition which would involve the construction and maintenance by Canada, at her own cost, of several hundred miles of telegraph line through a wilderness.

The Committee have not been able to persuade themselves that the people of Canada would be likely to receive benefits corresponding to the cost of constructing a line of telegraph from the seat of Government to the head of Lake Superior, and guaranteeing half the interest of the cost of constructing a line from that point to the Pacific coast, unless, at the same time, the fertile valleys and plains of the Great North-West are made accessible to Canadian settlers and to European emigrants who are in quest of cheap lands, under the protection of the British flag and a free constitutional Government.

A "telegraph line" will not accomplish these objects, though it may serve an important purpose and lead ultimately to their attainment. But unless the "Atlantic and Pacific Transit and Telegraph Company" are prepared to undertake the construction of a road *pari passu* with the telegraph line, the Committee cannot, in the present condition of the Canadian Exchequer, and with the important questions of boundary, territorial jurisdiction, and form of Government in the vast territory proposed to be opened, still unsettled, recommend the acceptance of the "Heads of Proposal" as submitted by them, and conditionally approved by his Grace.

The Committee are of opinion that, in view of the recent change in the constitution and objects of the Hudson's Bay Company, which, from the correspondence laid before the House of Lords, appears to have been effected; and the claims which the new organization have reiterated, with the apparent sanction of his Grace the Duke of Newcastle, to territorial rights over a vast region not included in their original charter, it is highly expedient that steps be taken to settle definitely the north-western boundary of Canada.

The Committee, therefore, recommend that correspondence be opened with the Imperial Government with the view to the adoption of some speedy, inexpensive, and mutually satisfactory plan to determine this important question, and that the claim of Canada be asserted to all that portion of Central British America which can be shown to have been in the possession of the French at the period of the cession in 1763.

(Certified.) *Wm. H. Lee,*
Clerk of the Executive Council.

— No. 9. —

EXTRACT from a LETTER from Sir *Frederic Rogers,* Bart., to the Right Honourable Sir *Edmund Head,* Bart., dated Downing-street, 6 June 1864.

"Mr. CARDWELL does not understand that you are willing to undertake to complete a line of telegraph and road to the Pacific until you shall have received the assurances from Canada, British Columbia, and Vancouver Island, to which reference has been made in the former correspondence."

— No. 10. —

EXTRACT from a LETTER from the Right Honourable Sir *Edmund Head,* Bart., to Sir *Frederic Rogers,* Bart., dated Hudson's Bay House, London, 7 June 1864.

"WITH regard to the latter part of your letter, the Hudson's Bay Company are prepared to take steps at once for the erection of the telegraph from Pembina or Rainy Lake (as the case may be) to the Pacific at New Westminster. Whether they would connect this line with the Canadian line over British territory would depend upon the readiness of the Canadian Government to complete their own telegraph up to Rainy Lake, and fulfil conditions similar to those which were originally discussed with the Duke of Newcastle. As a matter of course, the Hudson's Bay Company would expect from the Government of British Columbia such support and assistance as would on their part be equivalent to the benefits conferred by a direct and easy communication with the Atlantic ports, whether by way of Canada or of the United States."

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