

3. That the Canadian and British Columbian Governments arrange for the guarantee of a minimum rate of interest of four per cent. per annum upon the capital required, which, for the telegraph and system of posts and letter express, is not to exceed three hundred thousand pounds, and for the provision of facilities for travel two hundred thousand pounds in addition; or, for the whole, a capital of not exceeding five hundred thousand pounds sterling.

4. Proper protection of the property of the Company, and of the persons employed by it, to be extended by the Governments under the laws existing for the time being, and, so far as the Hudson's Bay Territory is concerned, under the protective powers for the time being exercised by the Hudson's Bay Company.

5. That the works of the Company shall be free from all taxation for not less than thirty years.

6. That a proper tariff of rates for messages and letters be agreed upon between the Governments and the new Company, and that the Company's telegraphs and letter post be used by the Governments on terms to be agreed.

7. The Governments may have the power to purchase the whole concern after it has paid per cent. for a period of five years, at a premium of per cent.; or, after the Company has, for a past period of five years, paid six per cent. per annum, half the surplus profits may be devoted to a sinking fund.

It is desired again to repeat that the gentlemen who have this day met Messrs. Sicotte and Howland are merely desirous of seeing executed, without further delay, the works herein proposed; and do not wish to undertake any action unless with the entire approval of the delegates from Canada. Should Messrs. Sicotte and Howland consider that practical assistance to the object of their mission can be rendered in any other or better way, they will be quite ready to discuss the suggestions of the delegates, and either to co-operate or retire, as may be thought best to serve the great policy initiated by Canada.

67, Lombard Street, London.
8th December 1862.

B.

With a view of better enabling the gentlemen whom they met yesterday at 67, Lombard Street, to take immediate measures to form a company for the object of carrying out the construction of a telegraph line and of a road to establish frequent and easy communication between Canada and the Pacific, and to facilitate the carrying of mails, passengers, and traffic, the undersigned have the honour to state, that they are of opinion that the Canadian Government will agree to give a guarantee of interest at the rate of four per cent. upon one third of the sum expended, provided the whole sum does not exceed five hundred thousand pounds, and provided also that the same guarantee of interest will be secured upon the other two thirds of the expenditure by Imperial or Columbian contributions.

If a company composed of men of the standing and wealth of those they had the pleasure to meet is formed for the above purposes, under such conditions as will secure the interests of all parties interested, and the accomplishment of the objects they have in view, such an organization will be highly favourable to the settlement of an immense territory, and if properly administered, may prove to be also of great advantage to the trade of England.

(Signed) L. V. SICOTTE.
(Signed) W. P. HOWLAND.

London, 10th December, 1862.
To MM. Glynn,
Benson,
Chapman,
Newmarch,
Watkin,
&c. &c. &c.

C.

GENTLEMEN,

London, December 17, 1862.

At a conference of the gentlemen who have been in communication with you in reference to the provision of the means of telegraphic and other communication to the Pacific, held this day at 67, Lombard Street, I was requested to acknowledge the receipt of your communication of the 10th December, and to thank you for it.

Referring to conversations which have taken place, and to your private suggestion that an alternative proposition should be considered under probable circumstances then discussed, I am desired further to say, that should Her Majesty's Government not accede to the proposals which we understand you have already made to the Colonial Minister, but in place thereof should propose that British Columbia, as a province of the Crown, shall take a larger share of the proposed responsibility, they will be ready to proceed, at your instance and with your approval, to form a Company for the purposes detailed, upon the condition that the rate of interest shall be increased say to $4\frac{1}{2}$ or 5 per cent.

The simplest form of working the arrangements in the short time now left open would be for the Imperial and Canadian Governments to obtain the passage of measures in the ensuing sessions of Parliament, by which British Columbia and Canada agreed to pay, in equal proportions, an annual sum of say 22,500*l.* to the Company who would execute and establish the proposed works.

Then all the details could be made matter of arrangement between the Colonial Minister, on behalf of British Columbia, and the Governor General in Council for Canada and the promoters of the enterprise.

The adoption of this suggestion would enable measures for the formation of a company and the subscription of capital (conditional upon the granting of Parliamentary sanction) to be at once taken, and