

Office sent a copy of the address to the Hudson's Bay Directors, and requested that the Directors would state what terms the Company would ask, with a view to this transference, assuming the basis of the negotiation which had been under discussion with Mr. Cardwell in the year 1864, namely, a remuneration by being recouped out of prospective sales. You will find the first reply to that letter from Lord Kimberley, I think, in May, 1868; but before any answer was sent, or before anything further was done, it was thought necessary by Her Majesty's Government to pass through Parliament a Bill authorising the Company to surrender, and the Crown to accept the surrender of all lands, rights, and so forth, of the Company in these territories, and then giving the Crown power to accept that surrender, and to transfer the territory to the Canadian dominion on being satisfied with the terms of the address which the Canadian Parliament might pass thereupon. When that Act had become law, the negotiations were resumed, and a further letter was sent by Lord Kimberley in October last, with the terms which the Company suggested, and said they would be ready to submit to the judgment of their Shareholders. Now, that came very nearly at the time when the late Government were going out of office, and almost the last act done by the Duke of Buckingham, as Secretary of State, was to send an answer, dated the 1st December, 1868, which you will find amongst this correspondence, objecting to the terms suggested by Lord Kimberley, and proposing certain counter propositions. When I had the honour of being elected Governor of this Company, I found the matter resting there, and it was at that point that I personally had to take up the negotiations. Well, looking back over all these proceedings, I thought I saw what the whole tenour of the conduct of the Directors had been, and I also wished to