

PROPOSITION OF HUDSON'S BAY COMPANY.

[Confidential.]

HUDSON'S BAY HOUSE, *Lachine, January 14, 1848.*

MY DEAR SIR: With reference to our conversation, when I had the pleasure of seeing you in Montreal, about two months ago, on the subject of a sale of the Hudson's Bay Company's and Puget Sound Company's possessions, &c., west of the Rocky mountains, south of latitude 49°, either to the United States government or to a joint stock company, I should be glad to know, as early as possible, if there is any probability of your being in a condition to make a proposition in time to enable me to communicate thereon with the governor and committee in England before taking my departure for the interior, soon after the opening of the navigation.

The Hudson's Bay Company have, south of 49°, thirteen trading establishments or villages, situated on the most eligible sites as regards commerce, water power, agriculture, and dealings with the natives, while their flocks and herds pasture over large districts of country; such occupation of itself forming a good title to the districts in question. Our possessions, moreover, embrace the very best situations in the whole country for offensive and defensive operations, towns and villages, while our right of navigating the Columbia, which we hold in perpetuity, inasmuch as our charter is interminable, is saleable and transferable.

According to my construction of the term "possessory rights" in the treaty, it secures to us the right to cultivate the soil, to cut down and export timber, to carry on the fisheries, to trade for furs with the natives, and all other rights we enjoyed at the time of framing the treaty; but the term is so comprehensive as not to be easily defined. As regards the Hudson's Bay Company's interest, there is a feeling among the residents in the country that our business is likely to benefit rather than be injured by the sovereignty of the country, might lead to endless disputes, which might be productive of difficulties between the two nations, and would therefore feel disposed to submit to a very great sacrifice, in order to avert dangers of so grave a nature, by selling their lands, flocks, herds, rights of trade and navigation, &c., and withdraw within the British territory, north of 49°, if they could obtain but a moderate consideration for the same. Such consideration would indeed be moderate at one million of dollars, payable within a reasonable period. But for the reasons stated above, I should feel myself authorized to conclude an arrangement at that amount, which on a rough estimate is little more than the outlay incurred in the erection of buildings, fencing, bringing land into cultivation, and other improvements, and importing stock since our first occupation of the country. If your government were to look at the importance of getting a powerful trading association, belonging to a formidable neighboring, out of its territory, and to the great value of the real property that would be acquired; besides securing to the United States the exclusive navigation of the Columbia river and a valuable trade in furs, with