

COPY of a LETTER from the Right Honourable Sir E. Head, Bart., K.C.B., to  
Sir F. Rogers, Bart.

Sir,

Hudson's Bay House, London, 7 December 1864.

IN my letter of 13th April 1864,\* a definite proposal involving the cession of a certain portion of the Company's territory, and rights of property therein, was made by me (subject to the approval of the proprietors) on behalf of the committee of the Hudson's Bay Company. We cannot but feel that the long delay which has taken place in answering this proposal has been detrimental to the interests of the Company in more ways than one; but, looking to the reasons assigned by the Right Honourable the Secretary of State for such delay, in your letter of 5th April 1864, we have not hitherto felt at liberty to press for a final decision.

\* Page 72.

The discussion which has now arisen respecting the union of the North American Provinces under one government, has made us think it may be expedient for us to submit to the Secretary of State another scheme for carrying out this transfer; not because we wish to alter or retract our previous offer, but simply as an alternative which we, on behalf of the Company, and subject to the approval of our proprietors, should be ready to accept.

The territory, with its mining rights, affected by such transfer, has been sufficiently defined in the former correspondence, but it may be roughly described as follows:—

On the west bounded by British Columbia.

On the north by the Northern Saskatchewan down to Lake Winnipeg.

On the east by a line from the mouth of the Saskatchewan to the point where the Winnipeg river enters that lake; and thence, by a parallel of latitude due east, until such parallel cuts Canadian territory by intersecting the watershed between the basin of the Lakes and the St. Lawrence on the one hand, and that of Hudson's Bay on the other.

On the south by the United States boundary, or by any outlying portion of British territory not included in this Company's lands.

The conditions on which we would recommend the proprietors to cede this territory, and all mining rights and rights of property or Government within it, are the following:—

1. That the Company be paid 1,000,000 *l.* sterling.
2. That the Government of British North America acknowledge the Company's right to trade, without exclusive privileges of any kind, within the territory.
3. That the Company should hold in fee simple all their posts now occupied, with a reasonable area round each post. All previous sales and bargains at Red River, made by them, shall be confirmed.
4. That the Government of British North America shall impose no exceptional taxes on the Company, its property, or its servants.
5. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon between Mr. Vankoughnet and Mr. Hopkins.
6. That the Company shall be bound to hand over to the Government of British North America all the materials for the construction of the telegraph, on payment of the cost-price and expenses already incurred.

You will understand, sir, that the proposal contained in this letter is not to be construed as any withdrawal or modification of that previously made, but that it is laid before the Secretary of State simply as a possible alternative.

The committee are of opinion that in the event of the transfer of the territory to any Colonial Government, such transfer ought to be effected, and the conditions stipulated, with the Company, ought to be embodied in an English Act of Parliament.

Before closing this letter it is right that I should state, for the information of the Right Honourable the Secretary of State, that Dr. Rae has returned to England, having traversed the whole district, from Red River over the pass leading to Tête Janne C ache, and thence down the Fraser to New Westminster. Every assistance was given him in British Columbia, and he reports that it is perfectly easy to construct across this country a line of telegraph, as well as a road sufficient for the carriage of the mails. Telegraphic wire and insulators in sufficient quantities are already at York Factory on the Mississippi, or on the voyage to Victoria, so that all the materials will be in the spring on the spots where they are required, and the Company will await with anxiety the decision of Her Majesty's Government as to the offers now in the hands of the Secretary of State.

Sir F. Rogers, Bart.,  
&c. &c. &c.

I have, &c.  
(signed) Edmund Head,  
Governor.