

“ ment at once to annex to the Dominion the whole of British North America proper, except the colony of British Columbia. \* \* \*

“ After repeated communications with both parties, his Lordship is convinced that he will be serving the interests of the Dominion, of the Company, and of this country, by laying before the Canadian Representatives and the Directors of the Company a distinct proposal, which, as it appears to be, it is for the interest of both parties to accept, and in support of which Her Majesty's Government would be prepared to use all the influence which they could legitimately exercise. .

“ If the proposal is really an impartial one, Lord Granville cannot expect that it will be otherwise than unacceptable to both of the parties concerned. But he is not without hope that both may find, on consideration, that, if it does not give them all that they conceive to be their due, it secures to them what is politically or commercially necessary, and places them at once in a position of greater advantage with reference to their peculiar objects than that which they at present occupy. \* \* \* \* \*

“ It is due both to the representatives of Canada and to the Company to add that these terms are not intended by Lord Granville as the basis of further negotiation, but a final effort to effect that amicable accommodation of which he has almost despaired, but which he believes will be for the ultimate interest of all parties.”

The articles of the proposal, 12 in number, are omitted as they have already been put of record by the Counsel for the United States.

Having thus cursorily adverted to this correspondence, I have but a word to say on the terms prescribed. The only element in the offer certainly appreciable in money is the £300,000. It is difficult to say what may be the precise value of the other compensation given; but it cannot be regarded as inconsiderable.

1. The Company is to be relieved of heavy burdens in the maintenance of a local government and courts of justice, and of other institutions in its territory.

2. The country is to be colonized. A constitutional form of government is to be established, roads and other facilities for intercourse are to be constructed, telegraph lines completed and