"Fort Garry had been entirely taken from our hands by the French half-breeds party, the leaders of which had with violence seized the keys of all the shops, stores and warehouses within its walls, and have for months past been carrying away the Company's property of all kinds in vast quantities without let or hindrance.

"As you are aware a large quantity of valuable furs have remained in store here since last autumn. These along with everything else have been seized, and we find ourselves perfectly powerless to repossess ourselves of them, without the permission of Riel and his people. Our servants have been expelled from their houses and obliged to live outside the Fort, to provide accommodation for the half-breeds. Our officers have been, as a special mark of favor, permitted to retain their houses with the exception of Dr. Cowan whose entire house has been seized by Riel and used as "Government House." The outpost of White Horse Plain has been seized in like manner, and occupied by a large guard of half breeds. The cattle belonging to its farm have been appropriated, and as a sample of the damage perpetrated I may mention that by latest advices 70 of the best working oxen have been slaughtered and eaten.

"The small station at Oak Point on Lake Manitoba was seized and Chief Factor Deschambeault compelled to leave it. Riel, however, has since disclaimed the latter outrage as unauthorized by him, and the post is said to have been restored to the Company by his orders. In a former letter I mentioned that our store at St. Boniface had been sacked by a portion of half breeds opposed to Riel.

"Pembina, Lower Fort Garry, and Portage La Prairie, have been visited from time to time throughout the winter by armed flying parties, and business of all kinds has been long entirely stopped in this district.

"Respecting the outside territory communication with inland districts has been impeded by the impossibility of our sending packets without first obtaining passes from Riel to enable the bearers to pass his scouts stationed on all the roads. Threats were also held out that parties should at once go West with instructions addressed from the Provisional Government to the half-breed population in Swan River and Saskatchewan districts, directing them to seize the Company's posts in these places, and after having seized all the provisions and furs in the stores, bring them to Red River in spring.

An armed party was also to have visited Portage la Loche in summer, with the object of possessing themselves of the returns of Arthabasca and MacKenzie River districts, and of plundering every Fort along the route.

These threats were not vain. In fact, even had the Company's people been able partially to evade the consequences of such steps, the result must have been ruinous in any case, as the interruption to the traffic would have prevented our getting returns to York in time to go home by the ship.

Our returns throughout the North would have been seized and appropriated by the French, and Forts would have been taken, and our people, cast adrift in the country, would have been compelled to shift for themselves as best they could.

It is now fully three weeks since rumours first reached me that the time had been fixed at which, in the event of non-compliance with the terms to be proposed by Riel, the Company's people in Red River District were to be turned out of their Forts, and all property, whether personal to themselves or belonging to the Company, confiscated. Since then I have had repeated interviews with Riel, and after much delay the enclosed list of conditions has been completed. I am unable to say whether it will be respected, under *all* contingencies, by the half breeds, but at present I think they mean to abide by their promises, and I feel that my compliance with their demands, on behalf of the Company affords our only chance of avoiding immediate inevitable destruction.

Enclosed is also letter from Thos. Bunn, "Secretary of State," which was elicited by a request of Mr. John H. McTavish, the Accountant, that the upper story of the building, the lower part of which contains the Company's public office, should be restored to us, it being the residence of the clerks, some of whom have been compelled to leave the Fort, but will now I hope return to resume their duties.