

seems not to be contemplated. The Committee further observe that while His Grace speaks of the benefit which the Colonies are to receive as that of "direct telegraphic communication merely," he declares that "the commencement of the undertaking must depend on the willingness of the Canadian Government and Legislature to complete telegraphic communication from the Seat of Government to the point on Lake Superior at which the Company will take it up," a condition which would involve the construction and maintenance by Canada, at her own cost, of several hundred miles of telegraph line through a wilderness.

The Committee have not been able to persuade themselves that the people of Canada would be likely to receive benefits corresponding to the cost of constructing a line of telegraph from the Seat of Government to the head of lake Superior, and guaranteeing half the interest of the cost of constructing a Line from that point to the Pacific Coast, unless at the same time the fertile Valleys and Plains of the Great North-West are made accessible to Canadian Settlers, and to European Emigrants who are in quest of cheap lands under the protection of the British flag and a free Constitutional Government.

A "telegraph line," will not accomplish these objects, though it may serve an important purpose and lead ultimately to their attainment. But unless "The Atlantic and Pacific Transit and Telegraph Company," are prepared to undertake the construction of a road, *pari passu*, with the telegraph line, the Committee cannot, in the present condition of the Canadian Exchequer, and with the important questions of boundary, territorial jurisdiction and form of Government in the vast territory proposed to be opened, still unsettled, recommend acceptance of the heads of proposal as submitted by them, and conditionally approved by His Grace.

The Committee are of opinion that in view of the recent change in the constitution and objects of the Hudson's Bay Company, which, from the correspondence laid before the House of Lords, appears to have been effected, and the claims which the new organization have reiterated with the apparent sanction of His Grace the Duke of Newcastle, to territorial rights over a vast region not included in their original charter, it is highly expedient that steps be taken to settle definitely the North Western Boundary of Canada.

The Committee therefore recommend that correspondence be opened with the Imperial Government with a view to the adoption of some speedy, inexpensive and mutually satisfactory plan to determine this important question, and that the claim of Canada be asserted to all that portion of Central British America which can be shewn to have been in the possession of the French at the period of the Cession in 1763.

Certified.

WM. H. LEE.  
C. E. C.