

support Governor McDougall is quite a problem. They were forced into the recent cession to Canada, on the payment of £300,000, and there had been previously much acrimony in the discussion. Governor McTavish, lately at the head of the company's administration, counsels peace and submission to Canadian authority; but there is unquestionably much sympathy among all classes of the population with the demands of the French insurgents. These are likely to be as follows:

1. The extension of suffrage to the half-breed population, and the concession of the right of the people to elect their own legislature.

2. The recognition of an absolute title in all existing claims of land which are accompanied by actual occupation, and the establishment of a homestead system.

3. The introduction of the American system of school endowments and grants of land for public improvements.

4. A modification of the Canadian tariff.

Upon the refusal to grant these demands, or perhaps in any event, I anticipate a strong and determined movement in favor of annexation to the United States.

Any attempt to introduce English or Canadian troops will instantly precipitate the latter result. If Central British America remains Canadian, it must be only as the result of a peaceful adjustment among the people interested.

I propose to communicate frequently with the State Department during the progress of these important events.

I venture to send duplicates of the foregoing communication to Secretary Boutwell and Senator Ramsey.

I remain yours, respectfully.

JAMES W. TAYLOR.

Hon. HAMILTON FISH,

*Secretary of State.*

No. 4.

*Mr. Malmros to Mr. Davis.*

No. 16.] CONSULATE OF THE UNITED STATES OF AMERICA,  
*Winnipeg, British North America, December 4, 1869.*

SIR: Since the date of my dispatch No. 14, the political state of this colony has very much changed. The leaders of the French portion of the inhabitants, ever since garrisoning Fort Garry, have committed such a long series of blunders in spite of the good advice given them, that they have estranged the by far greater portion of the English speaking population from their cause.

The spreading of many false rumors, such as that the French had taken up arms to suppress Protestantism in the settlement, and other equally absurd, and perhaps a judicious use of money, have likewise contributed to weaken the party in arms and to render a reunion of the two sections of the population improbable.

Governor McDougall, who is still at Pembina, Dakota Territory, has authorized Colonel Dennis, a Canadian, to enlist a force to disperse the rebels. Should that gentleman succeed in enlisting a force for that purpose from among the real settlers of the colony, and coercion be attempted, there is every prospect of a civil war. In case, however, Colonel Dennis should recruit largely from among lately arrived Canadian