

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion along interior margin/
La reliure serrée peut causer de l'ombre ou de la distortion le long de la marge intérieure
- Blank leaves added during restoration may appear within the text. Whenever possible, these have been omitted from filming/
Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- Additional comments:/
Commentaires supplémentaires:

- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Includes supplementary material/
Comprend du matériel supplémentaire
- Only edition available/
Seule édition disponible
- Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image/
Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	14X	18X	22X	26X	30X																								
										X																			
				12X					16X					20X					24X					28X					32X

(Strictly Confidential.)

*The Hon^{ble} S. L. Jolley
St. John. N.B.*

CORRESPONDENCE

WITH

HIS GRACE THE DUKE OF NEWCASTLE, THE HUDSON'S BAY COMPANY.

AND THE DELEGATES FROM CANADA,

IN REFERENCE TO THE ESTABLISHMENT OF

Overland Passenger and Telegraphic Communication

BETWEEN THE ATLANTIC

AND

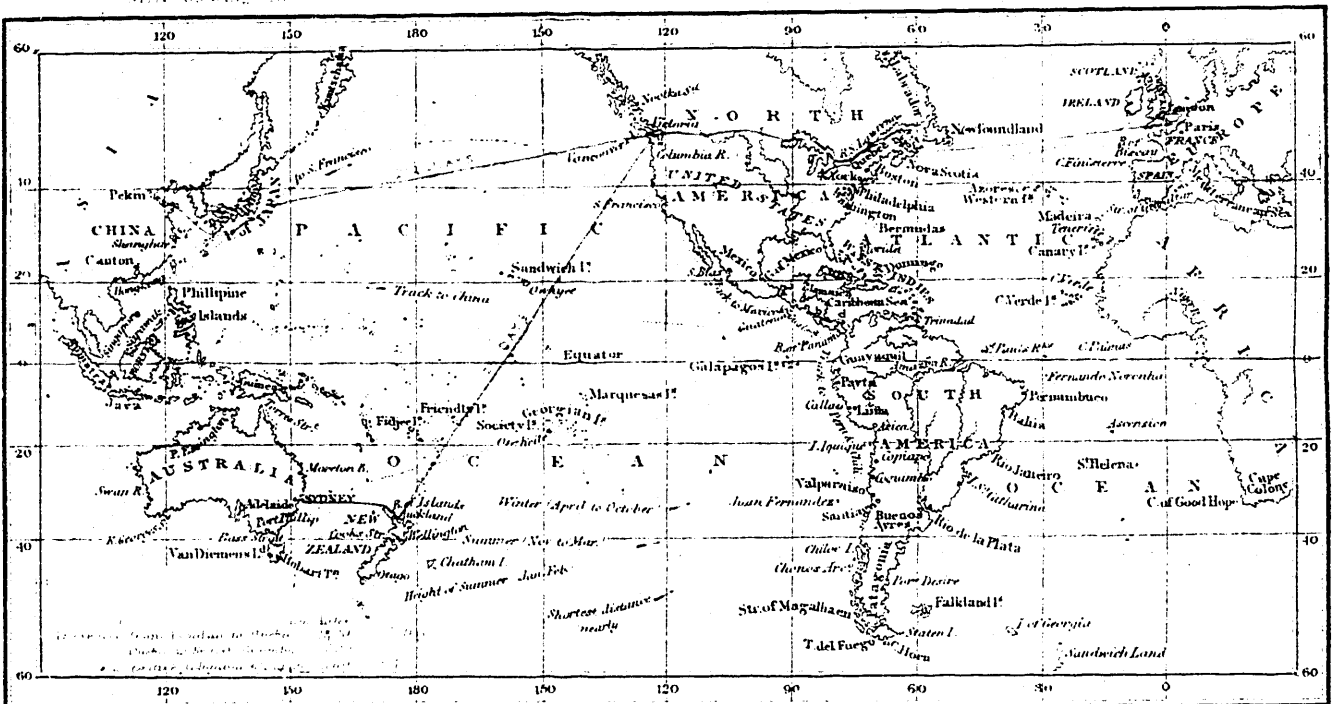
BRITISH COLUMBIA AND THE PACIFIC.

1863
(45)

NOTE.—The Map prefixed to this Correspondence has been prepared from a drawing made by Captain Glyn, R.N., to show the route proposed to be adopted in carrying out the project.

CORRESPONDENCE with HIS GRACE THE DUKE OF NEWCASTLE and the HUDSON'S BAY COMPANY, in reference to the establishment of OVERLAND PASSENGER AND TELEGRAPHIC COMMUNICATION between the ATLANTIC AND BRITISH COLUMBIA AND THE PACIFIC.

MAP showing the ROUTE from ENGLAND to BRITISH COLUMBIA BY THE PACIFIC OCEAN



Scale of Miles
 0 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180 190 200 210 220 230 240 250 260 270 280 290 300 310 320 330 340 350 360 370 380 390 400 410 420 430 440 450 460 470 480 490 500 510 520 530 540 550 560 570 580 590 600 610 620 630 640 650 660 670 680 690 700 710 720 730 740 750 760 770 780 790 800 810 820 830 840 850 860 870 880 890 900 910 920 930 940 950 960 970 980 990 1000

Published by R.H. Laurie, 53, Fleet Street, London, 1861

Distance from London East to Ch'foo	4,700 Miles
New York west of Hope	do 6,177
to London East	do 7,552
London west of Good Hope	do 6,350
to Rio Janeiro	do 5,100

(Signed)

**THOMAS BARING.
 GEO. CARR GLYN.
 K. D. HODGSON.
 GEO. G. GLYN.
 R. W. CRAWFORD.
 WILLIAM CHAPMAN.**

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c.

1863
(45)

CORRESPONDENCE with HIS GRACE THE DUKE OF NEWCASTLE and the HUDSON'S BAY COMPANY, in reference to the establishment of OVERLAND PASSENGER AND TELEGRAPHIC COMMUNICATION between the ATLANTIC AND BRITISH COLUMBIA AND THE PACIFIC.

No. 1.

LONDON, 5th July, 1862.

MY LORD,

The growing interest felt by the Commercial World in British Columbia, and in the communications which commerce as well as considerations of Empire require across the Continent of British North America, renders it, as it appears to us, opportune and desirable for some adequate organization to apply itself, under the sanction of Government, to the task of providing a telegraphic service, and of securing the means of travelling with regularity to the British Territory on the Pacific.

Connected with a country so new and so vast, and as to which so little is popularly known, such an enterprise could only hope for success in the event of its being undertaken with the full approbation and support of Government.

As a preliminary to any practical discussion of the question, it is desirable to ascertain how far Her Majesty's Government recognize the importance and desirability of such an enterprise, to be placed in proper hands, and also how far assistance would be given to aid in its prosecution.

Parliament is naturally averse to the increase of the National Burdens, and it may be that a money grant might be out of the question; but, without adding to the expenditure of the country, there are large resources available in the shape of territory. Would, therefore, the Government, if approving such an attempt, be ready to grant to any sound and sufficient Company a considerable tract of land in aid to the construction of the means of communication by Telegraph, and the provision of the means of transit across the continent?

Knowing the interest which your Grace feels in the progress of the British Empire in North America, we do not hesitate thus to call attention to the subject.

We have the honour to be,

MY LORD,

Your Grace's most obedient Servants,

(Signed)

THOMAS BARING.
GEO. CARR GLYN.
K. D. HODGSON.
GEO. G. GLYN.
R. W. CRAWFORD.
WILLIAM CHAPMAN.

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c.

No. 2.

DOWNING STREET, 31st July, 1862.

SIR,

The Duke of Newcastle has received the letter signed by you and other gentlemen, dated the 5th July, relative to the formation of a Company for the purpose of opening a route for passenger traffic and telegraphic communication across the continent of British North America, to the British Colonies on the Pacific.

I am desired in reply to express the Duke of Newcastle's regret that her Majesty's Government cannot afford any direct pecuniary assistance to this object, and that, except in British Columbia, he has no power to make any grant of land for the purpose. At the same time, His Grace fully appreciates the importance of the proposed scheme, and will give it every encouragement in his power.

For this purpose he has written to the Hudson's Bay Company, through whose territories any such communication must pass, to enquire what facilities they would be ready to afford to the undertaking; and the Duke of Newcastle would suggest that you, and the gentlemen associated with you, should place yourselves in communication with the Chairman of that Company, and in case of any satisfactory arrangement being made with them, His Grace would write to the Governors of Canada and British Columbia, and endeavour to procure for you some concession of land from those Colonies.

I am, Sir,

Your obedient Servant,

(Signed) FREDERIC ROGERS.

THOMAS BARING, Esq., M.P.

No. 3.

DOWNING STREET, August 18th, 1862.

SIR,

With reference to my letter of the 31st ultimo, I am directed by the Duke of Newcastle to transmit to you, for your information, a copy of a letter from the Chairman of the Hudson's Bay Company, stating the extent to which the Company will be willing to co-operate with yourself and colleagues in establishing telegraphic communication with British Columbia across British North America.

I am, Sir,

Your obedient Servant,

(Signed) FREDERIC ROGERS.

THOMAS BARING, Esq., M.P., &c., &c.

No. 3a. (Enclosure in No. 3.)

MR. BERENS TO THE DUKE OF NEWCASTLE.

MY LORD DUKE,

HUDSON'S BAY HOUSE,
LONDON, 11th August, 1862.

I have communicated with my colleagues in the direction of the Hudson's Bay Company, on the subject of your Grace's letter of the 31st July, of which I had the honour to acknowledge the receipt on the 1st instant.

They direct me to assure your Grace of their readiness to co-operate with Her Majesty's Government in any measure they may be pleased to recommend for the improvement of the communication across the territories of the Company, and for the settlement of the country, provided always they are not required to advance the capital of their constituents in aid of speculations projected by other persons, of the success of which the projectors are the most competent judges.

The directors of the Hudson's Bay Company will have no objection to make such free grant of land to any association of which the gentlemen who have made the application to your Grace by their letter of the 5th of July are the responsible directors, as may reasonably be required for effecting the proposed communication, on the sole condition that adequate security is taken for the establishment and completion of a sufficient road for passenger traffic and telegraphic communication across the continent.

I have, &c.,

(Signed) H. H. BERENS, *Governor.*

To HIS GRACE

THE DUKE OF NEWCASTLE, K.G. &c., &c.

No. 4.

DOWNING STREET, 13th September, 1862.

SIR,

I am directed by the Duke of Newcastle to transmit to you a copy of a correspondence between this Department and the Hudson's Bay Company, relative to the extent of territory which the Company may be disposed to part with, in furtherance of your plan for establishing telegraphic communication across British North America.

His Grace desires me to add, that the negotiation appears to him to have now reached a point at which direct communication between yourself and your colleagues on the one part, and the Company on the other, has become necessary to any satisfactory conclusion, though His Grace will be perfectly ready, if hereafter required, to give any further aid in his power to promote a definite arrangement.

I am, Sir,

Your obedient Servant,

(Signed) T. F. ELLIOT.

THOMAS BARING, ESQ., M.P., &c., &c.

No. 4a. (Enclosure in No. 4.)

DOWNING STREET, 28th August, 1862.

SIR,

Your letter of the 11th instant has been laid before the Duke of Newcastle, and His Grace requests that you will express to your colleagues in the management of the Hudson's Bay Company his gratification at their readiness to make a grant of land to the promoters of the contemplated undertaking of a passenger and telegraphic communication between Canada and British Columbia. It will be obvious to you that the means of any association which may be formed to effect this great design must depend upon the extent of the proposed concession. His Grace therefore directs me to ask you to have the goodness to state what breadth of land the Governors of the Hudson's Bay Company are willing to grant for this purpose.

I am, &c.,

(Signed)

FREDERIC ROGERS.

H. H. BERENS, Esq.

No. 4b. (Enclosure in No. 4.)

HUDSON'S BAY HOUSE, LONDON,
5th September, 1862.

MY LORD DUKE,

I have the honor to acknowledge the receipt of Sir Frederic Rogers' letter of the 28th August, and am pleased to observe that your Grace is gratified by the readiness of this Company to meet the views of her Majesty's Government in reference to the contemplated communication between Canada and British Columbia. In reply to your enquiry as to the breadth of land the Hudson's Bay Company are willing to grant for the purpose of the undertaking, I beg to say that, being in utter ignorance of the sort of route projected, and in the absence of any communication from the promoters of the undertaking, it is impossible for me to state to what extent the grant would amount.

I have, &c.,

(Signed)

H. H. BERENS, *Governor.*

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c., &c.

(*Private.*)

No. 5. (*Extract.*)

21, OLD BROAD STREET, LONDON,
6th November, 1862.

MY LORD DUKE,

I enclose a memorandum in reference to the measures necessary to be taken with a view to organising the desired effort in favour of communication across British territory to the Pacific, in accordance with my conversation with your Grace.

If the Hudson's Bay Company will assent to any proposition which your Grace considers equitable and expedient, and of the general nature of the suggestions contained in the enclosed, I will engage that no time shall be lost

in making a practical exploration by experienced parties, who are now waiting for instructions only, and in attempting the organization of a Company of a solid character, through the agency of which telegraphic communication may be secured.

I need not remind your Grace how soon the state of the money market may change, or how needful it is that the co-operation of the Hudson's Bay Company should be earnest.

I have the honour to be, My Lord Duke,

Your Grace's most obedient Servant,

(Signed) EDWARD W. WATKIN.

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c. &c. &c.

No. 5a. (Enclosure in No. 5.)

MEMORANDUM FOR HIS GRACE THE DUKE OF NEWCASTLE.

Since the date of the last correspondence between His Grace the Duke of Newcastle and the Hudson's Bay Company, delegates meeting at Quebec on behalf of Canada, Nova Scotia, and New Brunswick, have, it appears, expressed the common desire of the three provinces to assist in the completion of a communication, through British territory, to the Pacific.

In the meantime practical enquiries have been made and estimates commenced, and it is now proposed to submit a series of suggestions to His Grace the Duke of Newcastle, in the hope that His Grace will see fit to communicate with the Hudson's Bay Company, from which important body a very early and definite reply is essential to enable any really useful steps to be taken at this opportune period, while public attention is directed to this great Imperial question, and while the state of the money market is favourable to the organization of a Company. Not only, however, is a liberal grant of land essential if this great work is to be carried out by commercial enterprise, but the cordial sanction, and earnest and thorough co-operation, both of Her Majesty's Government and of the Hudson's Bay Company, are conditions which must be secured before the monied interests can be applied to for subscriptions of capital. The deep interest of Her Majesty's Government, and of His Grace the Duke of Newcastle personally, has already been fully expressed, and the provinces have now volunteered their united assistance. The Hudson's Bay Company have shown a very praiseworthy alacrity in meeting the request made to them by His Grace the Duke of Newcastle, by at once sanctioning the principle of a grant of land across their whole territory for these purposes, leaving the breadth of such grant to be discussed and settled after further information as to the plans suggested had been obtained.

Under such circumstances no doubt ought longer to exist as to the attitude of the Hudson's Bay Company. It is thought by some persons, and not only by Canadians, that that Company is at heart opposed to any opening up of this large territory, that any apparent concessions which it may make would be unwillingly rendered, and that the passive resistance of its highly organized staff may be expected, by which works to be carried on by private enterprise in a difficult and distant territory, and amidst Indians owning no control except that of the Company itself, may be impeded or even rendered impossible. These apprehensions, it is to be hoped, are founded in prejudice, but they prevail somewhat widely, and the best mode of removing them would

seem to be by a frank statement of their existence through His Grace the Duke of Newcastle. It is due also to so influential and powerful a body that their alacrity in complying with the wishes of Her Majesty's Government, and in serving the true interests of the Empire, should not be unjustly questioned. It will be at once observed that in the present case no sacrifice is demanded, but a great advantage is offered to the Hudson's Bay Company. It is proposed to apply to that body merely to grant lands which, now unopened and almost inaccessible, have at present no money value whatever, while the proposed works would at once give a tangible value to the vast contiguous territories bearing the name of the Hudson's Bay. Thus, interest and duty being combined, there can be little reason to fear either the refusal of any reasonable proposal, or subsequent obstruction in realizing the objects in view in the shortest possible time.

All that it is proposed to ask from the Hudson's Bay Company is that which may be deemed sufficient fairly to justify, in the opinion of practical men, a subscription of the money required to complete the work, and, should the Hudson's Bay Company be ready themselves to undertake the responsibility of the enterprise, there is no desire on the part of those who have approached His Grace the Duke of Newcastle to interfere in its execution,—no mere personal interests, but an anxious desire to see the two oceans connected by road and telegraph, alone actuating them in the present proposal.

With these preliminary observations, it is now proposed to submit to the attention of His Grace the Duke of Newcastle—

First. The suggestions which it is thought desirable should be made to the Hudson's Bay Company; and,

Secondly. The general scheme of the enterprise itself.

It will be obvious that so large a measure can only be accomplished by a series of stages of effort, and that the very mystery which has been thrown over a vast tract of nearly 2,000 miles in breadth, known intimately only by the Hudson's Bay Company, and by Indians, necessitates a cautious policy, the gradual working out of which, stage by stage, will educate and satisfy the public mind, and will induce it through the teaching of a new and interesting experience, as well as, it is hoped, by progressive success, to venture far in the realization of that which many persons who profess to know the country would still represent as an impracticable dream.

It is therefore proposed to comprise the whole project in three separate divisions, viz. :—

1. The erection of a telegraph, and the provision of a chain of posts—30 to 40 miles apart—and the establishment of a pony and foot express from the Canadian and United States boundaries to the Pacific.

2. The provision of a combined steam and common road communication within the same limits, and

3. The construction of a railway throughout.

Firstly. It is proposed that, to enable the commencement and completion of the first division, a grant of land of 20 miles in width shall be absolutely made to the proposed Company, through the territories of Canada, the Hudson's Bay Company, and British Columbia, from the end of the existing Canadian Telegraph system, and from Superior City, and from the United States boundary, near the Red River settlement, across to New Westminster and Fort Langley.

Secondly. It is further proposed that, for the second division, a similar further grant of 100 miles in width be given, such grant being contingent upon the completion and opening of the route within (say) 7 years from the date of the conditional grant.

Finally. It is proposed that a similar conditional grant of 200 miles in width be made, contingent upon the construction throughout of a railway from

Fort William and Superior City to such point on the Pacific as Her Majesty's Government, with reasonable regard to cost, may select, within 15 years from the date of such conditional grant.

The exact route of each of these works must be the result of very careful exploration and survey; and it will, perhaps, be sufficient now to say that, so far as existing knowledge suffices, the best route for a Telegraph and system of posts would be to pass from the north shore of Lake Superior to the Red River, near Fort Garry, and then to proceed (using, in fact, the best known track, although ultimate experience may show a better route), by way of Fort Ellice, Fort Pelly, Carlton House, and the other Hudson's Bay Posts, crossing the Rocky Mountains at the nearest pass, and then striking the Fraser River, and following its route down to the coast. The branch through the United States territory would leave St. Paul's, and pass through the Red River district, by Pembina, to the common point at Fort Garry.

The proposed grants of lands would have to be selected with reference to the routes finally decided upon after careful surveys, and could not be located beforehand; but their location in the Hudson's Bay Territory would traverse that which is popularly known as the "Fertile Belt" of country east of the Rocky Mountains, and the land would have to be chosen with an eye to its eligibility for settlement as well as to the comparative facilities presented by its physical features for the various works proposed. The grants should be taken in a continuous line.

This very general sketch of what is suggested will probably be sufficient at this stage of the discussion. There are many matters of important detail remaining; but it is needless to trouble His Grace the Duke of Newcastle with them unless, and until, the main preliminary question is favourably entertained.

Should it be so entertained such details will be easily afforded.

LONDON,

6th November, 1862.

As bearing upon the feasibility of an overland route, the following document has been communicated:—

No. 6.

EXTRACT of a Despatch from the Governor of British Columbia, marked "Separate," of the 27th of October, 1862.

"10. I encountered in the course of my journey a number of the overland emigrants from Canada, who came through from Red River Settlement by the Tête Jaune Cache route, referred to in my despatch "Separate" of the 15th of April last. They suffered a good deal of privation, but did not experience any serious difficulties in the route, until they had passed Edmonton, from whence to Tête Jaune Cache appears by their representations to be the worst part of the journey; they are, however, of opinion that a good road may be formed between those points at a very moderate cost,—a statement essentially agreeing with the opinion expressed in my before-mentioned despatch. In the event of a large emigration next summer overland from Canada, the enterprising owners of a stern-wheel steamboat recently built at Alexandria for the trade of the Upper Fraser may be induced to extend her trips to Tête Jaune Cache,—an arrangement that would lessen the difficulties of the overland journey, and greatly aid and facilitate the progress of any emigrants arriving hereafter by that route. I transmit herewith, for your Grace's information, a descriptive Report of the

“ route, gathered from various persons attached to the overland party, and, should
 “ H. M. Government deem it a matter of national importance to open a regular
 “ overland communication with Canada, I submit that parties of workmen might
 “ be despatched from this Colony at less expense than from Canada, to carry
 “ their views into effect.”

After the preceding correspondence, (Nos. 1 to 5) Mr. Berens, Governor, and Mr. Colville, Member of the Court of Directors, of the Hudson's Bay Company, with Mr. Maynard, solicitor, had an interview, at his Grace's request, on the 18th November, with the Duke of Newcastle, at the Colonial Office, on the general subject; and his Grace then desired a conference with the gentlemen who had been parties to the original proposals, which conference took place at the Colonial Office on the 21st November, Mr. G. G. Glyn, M.P., Mr. R. W. Crawford, M.P., Mr. H. Wollaston Blake, Mr. Watkin, Mr. William Chapman, Mr. R. Benson, and Captain Glyn, R.N., attending.

On the same day the Duke of Newcastle caused a letter to be addressed to the Governor of the Hudson's Bay Company, and ordered that a copy of it be sent to Mr. Watkin, for the information of parties. The letter to Mr. Watkin, and the enclosure, were as follows:—

No. 7.

DOWNING STREET,
 21st Novr., 1862.

SIR,

I am directed by the Duke of Newcastle to transmit to you, for your information, the enclosed copy of a letter which His Grace has caused to be addressed to the Governor of the Hudson's Bay Company, on the subject of the plan of a Postal and Telegraphic Route from the Canadian frontier to that of British Columbia.

I am, SIR,

Your obedient Servant,

(Signed)

T. FREDK. ELLIOT.

EDWARD WATKIN, ESQ.

No. 7a. (Enclosure in No. 7.)

DOWNING STREET,
 21st Novr., 1862.

SIR,

With reference to your interview with the Duke of Newcastle on the 18th instant, upon the subject of a proposed Postal and Telegraphic Route from the Canadian frontier to that of British Columbia, at which His Grace understood you to express the willingness of the Hudson's Bay Company to enter into personal communication with some of the gentlemen who are desirous, under certain conditions, of undertaking this scheme, and to confer with them either upon the basis of forming a road through the country comprised in the

charter of your Company, or upon that of the purchase of the whole of the Company's rights, I am directed by His Grace to inform you that he has to-day seen a deputation of the gentlemen referred to, and they on their part expressed their readiness to attend the proposed meeting.

The Duke of Newcastle thinks that it would be desirable that you should now arrange an interview either with Mr. Thomas Baring or with Mr. Edward Watkin, and as it is evident that with a view to any consideration of the second proposal it would be necessary that some details of the property to be sold should be made before the intending purchasers, he hopes that the Company will be good enough to authorize such information to be given as may be necessary, and as may not be detrimental to their own interests.

I have, &c.,

(Signed) T. FREDK. ELLIOT.

HENRY H. BERENS, Esq.,
Hudson's Bay Company.

A communication was thereupon addressed to the Hudson's Bay Company; and on the 1st December, an interview took place at the Hudson's Bay House between the Governor and a deputation from the Court of Directors, and the following gentlemen; viz., Mr. G. G. Glyn, M.P., Mr. Watkin, Mr. Robert Benson, Mr. Newmarch, F.R.S., Mr. H. Wollaston Blake, and Captain Glyn, R.N., at which the matter was fully discussed.

The Governor repeated the readiness of the Court of the Hudson's Bay Company to make a free grant of land throughout the Hudson's Bay territory, from the Height of Land to the Rocky Mountains, and to the British Columbian boundary, for the site of a telegraph and system of posts, and for a road; or to sell the property and rights of the Hudson's Bay Company at a sum which was stated in general terms as "somewhere about £1,500,000, or from that sum to £2,000,000." But it was declared that the Court declined to make a larger free grant of land of considerable width, as suggested to the Court by the Duke of Newcastle, with the view of supporting the operations of a Company.

After the above interview a conference was held at 67, Lombard Street, at the suggestion of the delegates from Canada, on the 8th December, between the Honourable Mr. Sicotte, First Minister of Lower Canada, and the Honourable Mr. Howland, Finance Minister of Canada, who had been made aware of the previous negotiations, and the gentlemen interested in the establishment of the proposed new route, when, after discussion, the following memorandum containing general conditions was drawn up and transmitted:—

[CONFIDENTIAL.]

MEMORANDUM.

The gentlemen who have to-day met the Honourable Messrs. Sicotte and Howland, at 67, Lombard Street, will take measures to form a Company without delay for the object of carrying out—

FIRST. The construction of a Telegraph and System of Posts, and the conveyance of Telegraphic Messages and Correspondence from the Canadian boundary at the head of Lake Superior to the Pacific (and also, if desired, from the United States boundary to Fort Garry): and

SECOND. For the provision of facilities for travel by ordinary waggon roads and steamers—

On the following conditions, viz. :—

1. That possession of the free grant of the right of way for an adequate width already proposed to be made by the Hudson's Bay Company be confirmed to the Company under Imperial and Colonial Legislation; and that a grant of land of reasonable width be, in like manner, made by the Imperial and Colonial Governments through their respective territories, to the east and west of the grant from the Hudson's Bay Company.

2. That similar rights and privileges as were granted to the "North-west Transit Company," and to others, by the Canadian Parliament, be secured to the Company proposed to be formed.

MEMORANDUM.—It would be desirable, if fair terms can be agreed, that the property and rights of the Transit Company, or others, be incorporated with those of the new Company, thereby securing a fair protection to any existing interests, and unity of action in Canada.

3. That the Canadian and British Columbian Governments arrange for the guarantee of a minimum rate of interest of Four per cent. per annum upon the capital required, which, for the Telegraph and System of Posts and Letter Express, is not to exceed Three Hundred Thousand Pounds; and, for the provision of facilities for travel, Two Hundred Thousand Pounds in addition; or, for the whole, a capital of not exceeding Five Hundred Thousand Pounds Sterling.

4. Proper protection of the property of the Company, and of the persons employed by it, to be extended by the Governments under the laws existing for the time being, and, so far as the Hudson's Bay territory is concerned, under the protective powers for the time being exercised by the Hudson's Bay Company.

5. That the works of the Company shall be free from all taxation for not less than thirty years.

6. That a proper tariff of rates for messages and letters be agreed upon between the Governments and the new Company, and that the Company's Telegraphs and Letter Post be used by the Governments on terms to be agreed.

7. The Governments may have the power to purchase the whole concern after it has paid per cent. for a period of five years, at a premium of per cent.; or, after the Company has, for a past period of five years, paid six per cent. per annum, half the surplus profits may be devoted to a Sinking Fund.

It is desired again to repeat that the gentlemen who have this day met Messrs. Sicotte and Howland, are merely desirous of seeing executed, without further delay, the works herein proposed: and do not wish to undertake any action, unless with the entire approval of the delegates from Canada. Should Messrs. Sicotte and Howland consider that practical assistance to the object of their mission can be rendered in any other, or better, way, they will be quite ready to discuss the suggestions of the delegates, and either to co-operate or retire, as may be thought best to serve the great policy initiated by Canada.

67, LOMBARD STREET, LONDON,

8th December, 1862.

The following is the reply :—

No. 9.

With a view of better enabling the gentlemen whom they met yesterday at 67, Lombard Street, to take immediate measures to form a Company for the object of carrying out the construction of a Telegraph line, and of a road to establish frequent and easy communication between Canada and the Pacific, and to facilitate the carrying of mails, passengers and traffic, the undersigned have the honour to state that they are of opinion that the Canadian Government will agree to give a guarantee of interest at the rate of four per cent. upon one-third of the sum expended, provided the whole sum does not exceed five hundred thousand pounds, and provided also that the same guarantee of interest will be secured upon the other two-thirds of the expenditure by Imperial or Columbian contributions.

If a Company composed of men of the standing and wealth of those they had the pleasure to meet is formed for the above purposes, under such conditions as will secure the interests of all parties interested, and the accomplishment of the objects they have in view, such an organization will be highly favorable to the settlement of an immense territory, and, if properly administered, may prove to be also of great advantage to the trade of England.

LONDON, 10th December 1862.

(Signed)

L. V. SICOTTE,
W. P. HOWLAND.

To. M. M. Glyn,
Benson,
Chapman,
Newmarch,
Watkin,
&c., &c., &c.

After a further conference of the promoters of the undertaking, at 67, Lombard Street, on the 17th December, the following letter was agreed to be written :—

No. 10.

LONDON,
17th December, 1862.

GENTLEMEN.—At a conference of the gentlemen who have been in communication with you in reference to the provision of the means of Telegraphic and other communication to the Pacific, held this day at 67, Lombard Street, I was requested to acknowledge the receipt of your communication of the 10th December, and to thank you for it.

Referring to conversations which have taken place, and to your private suggestion that an alternative proposition should be considered under probable circumstances then discussed, I am desired further to say that, should Her Majesty's Government not accede to the proposals which we understand you have already made to the Colonial Minister, but, in place thereof, should propose that British Columbia, as a Province of the Crown, shall take a larger share of the proposed responsibility, they will be ready to proceed, at your instance, and with your approval, to form a Company for the purposes detailed, upon the condition that the rate of interest shall be increased say to $4\frac{1}{2}$ or 5 per cent.

The simplest form of working the arrangements in the short time now left open would be, for the Imperial and Canadian Governments to obtain the passage of measures in the ensuing Sessions of Parliament, by which British Columbia and Canada agreed to pay, in equal proportions, an annual sum of say £22,500 to the Company who would execute and establish the proposed works.

Then all the details could be made matter of arrangement between the Colonial Minister, on behalf of British Columbia, and the Governor-General in Council, for Canada, and the promoters of the enterprize.

The adoption of this suggestion would enable measures for the formation of a Company, and the subscription of capital (conditional upon the granting of Parliamentary sanction), to be at once taken, and while money is still abundant; whereas if all practical action to this end were postponed until the Parliaments have met, unforeseen financial difficulties might arise.

It is hoped, therefore, that as early an answer as possible may be given.

I have the honour to be,

Gentlemen,

Your most obedient Servant,

(Signed) EDWARD W. WATKIN.

To the HONOURABLE

LOUIS V. SICOTTE,

and

W. P. HOWLAND.

To this letter Messrs. Sicotte and Howland replied as follows :—

No. 11.

Although little disposed to believe that Her Majesty's Government will not accede to the proposal of co-operation they have made in relation to the opening of communication from Canada to the Pacific, the undersigned have the honour to state, in answer to the letter of Mr. Watkin of the 17th instant, that, in their opinion, the Canadian Government will grant to a Company organized as proposed in the papers already exchanged, a guarantee of interest, even on one-half the capital stated in these documents, should the Imperial Government refuse to contribute any portion of this guaranteed sum of interest.

The undersigned must state, in answer to another demand made in the same letter, that the guarantee of the Canadian Government of this payment of interest ought to secure the moneys required at the rate of four per cent., and that they will not advise, and press, with their colleagues, a higher rate of interest as the basis of the arrangement.

LONDON, 20th December, 1862.

(Signed)

L. V. SICOTTE,
W. P. HOWLAND.

At this stage of the negotiations it became necessary that the promoters of the enterprise should again communicate with the Colonial Minister. Accordingly, the following letters were addressed to the Duke of Newcastle:—

No. 12.

LONDON,

December 27th, 1862.

MY LORD DUKE,

Referring to the interview which Messrs. G. G. Glyn, M.P., R. W. Crawford, M.P., H. Wollaston Blake, William Chapman, Robert Benson, Captain Glyn, R.N., and myself, had the honour to have with your Grace, at the Colonial Office, on the 21st November, in reference to the important question of telegraphic and other means of communication through British territory to the Pacific, I have now to report to your Grace, on behalf of the gentlemen who have moved in this matter, that the subject has been fully discussed with the Governor and Directors of the Hudson's Bay Company, and also with the delegates from Canada, the Hon. Messrs. Sicotte and Howland, who were specially authorized by their Government to deal with it, and that considerable progress has been made with the negotiation.

The Hudson's Bay Company still decline to do more in aid of telegraphic and road communication than to make a free grant of land for the actual site of the proposed works, which is much to be regretted.

The larger question raised has, however, not been forgotten, and accounts are promised on behalf of the Hudson's Bay Company, which, it is stated, will give a clear view of the financial position of that undertaking, and thereby enable calculations to be made of its real value to purchase.

It is considered desirable, however, to keep the two questions above alluded to distinct, the more especially as time is so much an object.

In the absence of a large grant of land it will, therefore, be necessary to ask for assistance by way of guarantee from the Imperial and Provincial Governments.

The Canadian delegates, recognizing this necessity, have officially notified to us their readiness, on behalf of the Canadian Government, to recommend the participation by Canada in a minimum guarantee of four per cent. upon a capital of not exceeding £500,000, to be devoted to the construction of telegraph and road communication. They propose to participate to the extent of one-third of the guarantee, in the event of Her Majesty's Government and British Columbia joining in the responsibility, or of one-half in the event of the refusal of Imperial aid. That refusal, however, they state that they cannot anticipate, considering the Imperial importance of the work.

The enterprise having now, and after much negotiation, been thus brought to a practical stage, I am desired, further, respectfully to ask if your Grace is prepared to recommend, in like manner, that Her Majesty's Government and British Columbia,—or if, unfortunately, Imperial aid is impossible,—then that British Columbia alone, participate in the proposed guarantee to the extent, in the former case, of *two-thirds*, or, in the latter case, of *one-half* of the very moderate responsibility suggested.

Copies of the correspondence with the Canadian delegates, detailing all that has transpired, are enclosed for your Grace's information.

Marked A to D. [Nos. 8 to 11 above.]

Should your Grace favourably consider this request, immediate measures will be taken to raise the capital required through an influential Company; and, so soon as that is effected, the drafts of the Bills which would have to be submitted to the Imperial and Provincial Parliaments should be discussed and settled. Those Bills would embody all the details of the arrangement, as between the promoters and Her Majesty's and the Provincial Governments, and it would be most desirable that they should be discussed in the ensuing session, so that,

should Parliament adopt and approve the policy of assisting these works in the manner proposed, they may, if possible, be commenced in the early part of the summer of 1863.

I have the honor to be, my Lord Duke,

Your Grace's most obedient Servant,
(Signed) EDWARD W. WATKIN.

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c. &c.,
Colonial Office.

No. 13.

LONDON,
29th December, 1862.

MY LORD DUKE,

Referring to the efforts now making to establish telegraphic and road communication through British territory to the Pacific, and which there is now reason to hope may be successful, it becomes matter of great interest, as affecting the enterprise in many important respects, to learn whether Her Majesty's Government propose to establish a naval station for the North Pacific at Esquimalt.

If such is their intention, then the proposed plans would be extended by the provision of a submarine telegraph cable across from the main land of British Columbia: but if otherwise, it might not be necessary to pass Fort Langley.

May I, therefore, respectfully request that, if not inconsistent with the interests of Her Majesty's service, your Grace will have the goodness to acquaint me with the intentions of Her Majesty's Government in regard to the establishment of such a station?

I have the honor to be, my Lord Duke,

Your Grace's most obedient Servant,
(Signed) EDWARD W. WATKIN.

To HIS GRACE THE DUKE OF NEWCASTLE, K.G., &c., &c.,
Colonial Office.

The following are the replies received:—

No. 14.

DOWNING STREET,
30th January, 1863.

SIR,

With reference to your letter of the 29th of December, I am directed by the Duke of Newcastle to acquaint you that the Lords. Commissioners of the Admiralty have apprised his Grace that there is already a small Naval Station at Esquimalt, and that as the Pacific Station has been recently divided into northern and southern divisions, and as Esquimalt will be the head quarters of the northern division, it is probable that the station there may gradually become of increased importance.

I am, Sir,

Your obedient servant,
(Signed) T. FREDK. ELLIOT.

E. W. WATKIN, Esq.

No. 15.

DOWNING STREET,
5th March, 1863.

SIR,

I am directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 27th December, and to express his Grace's regret that so long, though quite unavoidable, a delay should have occurred in replying to it.

I am now desired to make to you the following communication:—

Her Majesty's Government are of opinion that they cannot apply to Parliament to sanction any share in the proposed subsidy by this country; and though they take great interest in the project contemplated with so much public spirit by the gentlemen represented by you for carrying a telegraphic and postal communication from the confines of Canada to the Pacific, they do not concur in the opinion of the Canadian delegates that the work is of such special "Imperial importance" as to induce them to introduce for the first time the principle of subsidizing or guaranteeing telegraphic lines on land.

Her Majesty's Government are further of opinion that without a Submarine Transatlantic Telegraph the proposed line in America will be of comparatively small value to the Imperial Government, and that whenever a scheme of the former kind is renewed it is almost certain that this country must be called upon to bear a much larger charge for it than that which it is now proposed to devolve upon the British Colonies in respect of the land telegraph and communication.

As Canada has offered to bear one half of the proposed guarantee, the Duke of Newcastle is prepared to recommend, and His Grace has no doubt of ready acquiescence, that British Columbia and Vancouver Island shall pay the sum of £10,000 per annum as their share of £20,000 (being at the rate of £4 per cent. on a capital of £500,000), to commence when the line is in working order.

It will, however, be necessary, before any proposal is made officially to the Colonies, that the Duke of Newcastle should receive further details. It is requisite that His Grace should be informed what provision will be proposed as to the duration of this subsidy; what conditions as to the right of purchasing the line, and to what authorities that right should belong; and on what terms the whole arrangement may be revised in the event of the Hudson's Bay Company's coming to any agreement for the sale of their territory.

There will doubtless be other provisions which the colonies will expect.

I am, Sir,

Your obedient Servant,

(Signed) T. FREDERICK ELLIOT.

E. W. WATKIN, Esq.
&c., &c., &c.

No. 16.

Copy of a Minute of a Committee of the Executive Council [of Canada], approved by His Excellency the Governor-General, 9th February, 1863.

The Committee having taken into consideration the report of the honourable the Postmaster-General, on the expediency of opening up and better securing communication westwards towards British Columbia, through British territory, for a Telegraphic and Postal service, concur in the opinion expressed in that report as regards the advantage of securing such communication, and humbly advise that a sum of \$50,000 be placed in the estimates of the approaching session, for the purpose of carrying out the same in the manner suggested in that report, or in any other that may hereafter be deemed more advantageous.

Certified,

(Signed) W. H. LEE, Ck., E.C.

No. 16a.

(Copy.)

Report of Honble. Mr. Foley, 17th October, 1862 (above alluded to.)

Referring to the correspondence had with His Grace the Duke of Newcastle, the Canadian Government, and certain of the officers of the Hudson's Bay Company, with reference to the establishment of Postal and Telegraphic communication through the Company's territories, so called, between Canada and British Columbia, and to his report of the 31st July last, on the subject of Postal communication with the north-west—

The undersigned has the honour to submit for the consideration of His Excellency the Governor-General in Council as follows:—

The circumstances which for some years past have indicated the expediency of opening up communications westward from Lake Superior, derive, in the judgment of the undersigned, additional importance from the recent and continuous intercourse with British Columbia, consequent upon the discoveries there of valuable gold fields; whilst the reported existence of the same precious metal in the fertile valley of the Saskatchewan has had the effect of awakening a yet deeper interest in what, in Canada, is popularly known as the Red River country.

Under so powerful an impulse a rapid stream of immigration has set towards the Pacific, which gives indications of indefinite expansion, in view of the encouraging reports which are constantly received of the richness of the mines, and the value of the country as a field for settlement. The shortest and most natural route to these inviting territories lies through the St. Lawrence, and its chain of tributary lakes, but, owing to the want of facilities for transit beyond the head of Lake Superior, persons destined for the Western settlements necessarily make the voyage by sea, or accomplish the first stage in the land journey—Fort Garry, on the Red River—by way of Minnesota and Dacotah. Thus it may in truth be said, that the people of the neighbouring States hold the key to the British possessions in the West, and while, by this means, their wild lands are being settled and improved, ours, lying immediately adjacent and quite as well fitted for cultivation, remain a mere hunting ground

for the sole benefit and advantage of a Company of traders, whose object it is to keep to them a wilderness productive only of game, and who, to this end, do all in their power to divert into foreign channels, to the promotion of alien interests the commerce carried on by them with the outside world.

In the judgment of the undersigned the time has arrived when more decisive and effective means than have been yet put forth should be employed in opening up, and perfecting, the communication westward from Lake Superior through British Territory. Cut off from intercourse with their fellow subjects, except on condition of submitting to the inconveniences, the losses, and the numerous vexations of a circuitous journey through a foreign country, and which on the occurrence of difficulty would be closed to them, or but afford facility for their invasion, and, under the circumstances, all but certain conquest, the people of the Red River settlement have for many years past been loud in their expressions of dissatisfaction.

Minnesota, and not Canada, is, from imperious necessity, the emporium of their trade; the chief recent additions to their population are from the United States, and their sympathies, in spite of their wishes, are being drawn into a channel leading in an opposite direction from that of the source of their allegiance. In a word, the central link in the chain of settlements which should connect Canada with British Columbia is being rapidly Americanized, and, unless a prompt effort be made to advance British interests in that direction, there is reason to fear that incalculable mischief will follow.

The tendencies which have in the main operated in keeping the north-western country closed to the industrial enterprise of the British and Canadian people may be traced to the alleged obstacles in the way of the construction of practicable roads, and the improvement of navigation. Recent explorations, however, prove these obstacles to have been greatly exaggerated.

The expeditions of the Imperial and Canadian Governments demonstrate the entire feasibility of establishing communication, for postal and telegraphic service, at reasonable rates, through the territories which the Hudson's Bay Company claim as being under their jurisdiction.

Starting from the head of Lake Superior, with which, during the summer months, constant intercourse is maintained by steamers, the route naturally divides itself into three sections:—the first extending to the Red River Settlement, the next stretching forward to the Rocky Mountains, and the third reaching thence to the Pacific.

It may be advantageous briefly to consider the principal characteristics of each in the order in which they are here presented. Mr. Simon Dawson, who explored the first-named section of the route in 1858, under the direction of the Provincial Government, describes that portion of it extending from Lake Superior to Lake Winnipeg, "as a hilly and broken country, intersected by rapid rivers and wide spread lakes. The mountains, however," he adds, "do not rise to any great elevation, except on the immediate borders of Lake Superior, and there are some fine alluvial valleys, the most extensive of which is that of Rainy River. The lakes and rivers," he goes on to say, "present long reaches of navigable water, the principal of which, extending from Fort Francis to the western extremity of Lake Plat, is 158 miles in length. Dense forests cover the whole of this region, and the most valuable kinds of wood are seen in various places and in considerable quantities." The most difficult and laborious part of the journey is the first, leading up to the "height of land" from Lake Superior. Before Mr. Dawson's exploration, the rocky, broken structure of the country by the Kamimstoquoa was thought to present an insuperable barrier to further extension, except at an immense expenditure; but his examinations led to the discovery of a good line from Thunder Bay to Dog Lake, by which the entire practicability of that part of the route was established. The country from the Lake of the Woods to Fort Garry is spoken of by the same authority as a region differing as widely as may be in its physical character from that which had previously been described.

Although the distance across from the Lake of the Woods to Red River is but ninety miles, the country gradually undergoes a change for the better, until

the prairie region is reached, about thirty miles east of Fort Garry. Thence through the Red River Settlements, by the valley of the Saskatchewan, to the base of the Rocky Mountains, (forming the second section of the route,) the country presents the same favourable characteristics of fertile prairie, thinly wooded here and there by clumps of timber. Over this—by far the most extensive of the three divisions referred to—good natural roads, in constant use by the Red River settlers and the Hudson's Bay Company's employés, already exist; besides which the Saskatchewan River is reported, on good authority, to be navigable for steamboats from near its mouth, with but one short interruption, to the very foot of the Mountains. The crossing of the Rocky Mountains has been objected to as one of the obstacles in the overland route, but that, too, has been proved by actual exploration to be much less formidable than had been supposed; Captain Palliser, in his report to the British Government, stating—"I am rejoiced to say that I have completely succeeded in discovering a pass practicable, not only for horses, but one which, with but little expense, could be rendered available for carts also. This pass will connect the prairies of the Saskatchewan with Her Majesty's possessions on the west side of the Rocky Mountains." And, further on in the same report, speaking of another pass explored by Dr. Hector, who was attached to the expedition in a scientific capacity, Captain Palliser adds, "He found the facilities for crossing the mountains so great as to leave little doubt in his mind of the practicability of constructing even a railroad connecting the plains of the Saskatchewan with the opposite side of the main chain of the Rocky Mountains." Dr. Hector himself, in his report, says:—"The ascent to the watershed from the Saskatchewan is hardly perceptible to the traveller who is prepared for a tremendous climb by which to reach the dividing ridge of the Rocky Mountains, and no labour would be required except that of hewing timber to construct an easy road for carts, by which it might be attained." Of the descent on the western slope of the mountains, he remarks:—"A road for carts down the Valley of Vermillion River, from the 'height of land' to the Kootanie River, could be cleared without difficulty, for, supposing the road to follow a straight line along the river, and the descent to be uniform, which it almost is, the incline would only be forty feet in a mile, or 1 in 135: other passes discovered indicate equal facilities."

With regard to the third, or British Columbian section, as it appears from the views held by his Grace the Colonial Minister that Canada would not be expected to participate in the construction of that part of the route, it is only necessary to say that its practicability has been satisfactorily proved. Captain Palliser, after giving all the details of his explorations west of the Rocky Mountains, claims, as one of the results of the expedition under his command, "that we succeeded in finding a way from the Red River settlement across the Rocky Mountains to the mouth of the Frazer River, entirely within British territory," and which, even in its wild state, he estimates to be "a route practicable for horses throughout." And here it may not be inappropriate to remark, that there is abundant reason for believing that the hearty co-operation of the people of British Columbia would be certain in any judicious effort to bring them into closer intercourse with their fellow North American colonists. Of the prospective value of that intercourse, and as an indication of their anxious desire for the opening up of the communication between their own colony and Canada, the undersigned, from numerous communications received by him on the subject, takes the liberty of quoting the following passage from a letter recently written to him by a Canadian resident in New Westminster:—"We hope that you and your friends will not forget us here, but that your best efforts will be directed to the opening up of a communication with this country, by means of an overland route, whereby a market might be secured for Canadian produce, of which the colonists here would most gladly avail themselves. I believe that Canada could supply the miners in the Cariboo district as cheaply, if not more cheaply, than they were able to get their supplies this summer." * * * "This country would pay in treasure, the very thing you want; for just as soon as provisions can be

“obtained here at a reasonable rate, say \$25 to \$30 per barrel for flour, there would at once be an immense extent of mining country opened up. * * * Canadians now exert a controlling influence here, and our great desire is to see a practicable road constructed between the Canadian and British Columbian Provinces.”

The availability, then, of a continuous route on British soil being established, the question arises as to its suitability for settlement. On this point there exists abundant favourable evidence. Speaking generally of the country from Lake Superior to Red River, Sir Alexander McKenzie says—“There is not, perhaps, a finer country in the world for uncivilized man. * * * It abounds in everything necessary to the wants and comforts of such a people. Fish, venison and fowl, with wild rice, are in great plenty.” And, more particularly specifying the central part of the same tract of country, Sir George Simpson, in his interesting work, “A Journey Round the World,” says, that the country between the Lake of the Woods and Rainy Lake is most favourable to agriculture, resembling in some measure the banks of the Thames near Richmond; and, describing the water communication from Fort Francis downwards, he asks—“Is it too much for the eye of philanthropy to discern through the vista of futurity, this noble stream, connecting as it does the fertile shores of two spacious lakes, with crowded steamboats on its bosom, and populous towns on its banks?”

Corroborative of this testimony is that of Sir Alexander McKenzie, who, speaking of the same stream, says—“This is one of the finest rivers in the north west. * * * Its banks are covered with a rich soil, particularly to the north, which in many parts is clothed with fine open groves of oak, with the maple, the pine, and the cedar.” Of the country watered by the Red River and Lake Winnipeg, Mr. John McLean says—“Red River rises in swamps and small lakes in the distant plains of the south, and after receiving a number of tributary streams, that serve to fertilize and beautify as fine a tract of land as the world possesses, discharges itself into the eastern extremity of Lake Winnipeg, in latitude 50. The climate is much the same as in the Midland districts of Canada; the river is generally frozen across about the beginning of November, and open about the beginning of April. The soil along the banks of the river is of the richest vegetable mould, and of so great a depth that crops of wheat are produced for several years without the application of manure. The banks produce oak, elm, maple, and ash. The woods extend rather more than a mile inland. The farms of the settlers are now nearly clear of wood. An open plain succeeds of from four to six miles in breadth, affording excellent pasture. Woods and plains alternate afterwards, until you reach the boundless prairie.” In another place the same writer says—“Thus it happens that the Red River farmer finds a sure market for six or eight bushels of wheat, and no more. Where he finds a market for the remainder of his produce, heaven only knows. I do know this much, however, that the incomparable advantages this country possesses are not only, in a great measure, lost to the inhabitants, but also to the world, so long as it remains under the dominion of its trading rulers.

“In the possession of, and subject to, the immediate jurisdiction of the Crown, Assiniboine would become a great and flourishing colony, the centre of civilization and Christianity to the surrounding tribes, who would be converted from hostile barbarians into a civilized and loyal people, and thus Great Britain would extend and establish her dominion in a portion of her empire that may be said to have been hitherto unknown to her, whilst she would open up a new field for the enterprise and industry of her sons.”

On this head there is much additional testimony: but two further quotations may suffice. One is an extract from an article published in May, 1860, in the newspaper established in the colony by a gentleman from Canada, whose statements are entitled to the fullest credit. “One farmer says that last year he put down 8 bushels of wheat on four acres of land, and got a return of 153 bushels. This was 19 to 1, and about 38 to the acre. Another says, he put down 43 bushels on 18 acres, and obtained 753 bushels. This is more than 17 to 1, and 42 to the acre. A third put down 16 bushels on 8 acres, and had 401

“ of a return, making 25 bushels to 1, and 50 to the acre. Two others are as follows: 7 bushels sown on 4 acres yield 170 bushels, being 24 to 1 and 42 per acre. Again, 6 bushels sown on 4 acres returned 180, which made 30 to 1 sown, and 45 to the acre. The fields were accurately measured, and the facts and figures were carefully made out, and may be relied on.”

The other quotation is from the evidence of Col. Crofton, before a Committee of the House of Commons.

Question 3197 (Mr. Roebuck.) “ Can you tell me when the Spring or Summer there (in the Red River Settlement,) begins ?

“ The season opens about the first week in April, and closes about the middle of November.

“ 3198. That is about what occurs in Lower Canada ?

“ I thought it was about that of Upper Canada,—I may be wrong.

“ 3199. Does the summer season close as early as the middle of November ?

“ The summer season may be said to close in August, but the finest weather is what is called the fall, which extends from August to the middle of November.

“ 3200. When does the permanent snow fall ? It commences in the latter part of November, and is not off the ground until the first week in April.

“ 3201. Had you an opportunity of seeing anything of agriculture when you were there ? A great deal.

“ 3202. What sort of crops did they grow ? Oats, barley, and wheat chiefly ; but all sorts of vegetables.

“ 3203. Did the wheat ripen ? In ninety days from sowing.

“ 3204. It ripened very perfectly ? It was the finest wheat I ever saw.

“ 3205. Was the soil fertile ? Along the immediate banks of the rivers, and extending for, perhaps, the breadth of two miles, no finer loamy soil could be seen, with a limestone foundation.

“ 3206. Is it geologically limestone ? All.

“ 3207. And wherever limestone is there is fertile land, is not there ? I think that is the consequence.

“ 3208. Do you know how far the limestone extends ; looking at that map ? I have ascertained from servants of the Hudson’s Bay Company that it extends, as a base of the whole prairie land, to the Rocky Mountains.

“ 3209. So that, in fact, that part of the territory is fit for agriculture ? Quite so.

“ 3210. And would make a good Colony ? It might maintain millions.”

As to the Saskatchewan country, the richness of its soil and its adaptability for settlement are so well known and understood that it is unnecessary to dwell on them at so great length.

This country is the favourite resort of vast herds of buffalo—an unerring indication of the mildness of the climate and the fertility of the soil. Captain Palliser speaks of it as a partially wooded country, abounding in lakes and rich natural pasturage ; in some parts rivalling the finest park scenery in England. The bulk of the valuable trade of the Red River Country is at present made tributary to the Western States.

Penetrating through their now unsettled territory a distance of some hundreds of miles, the people of Minnesota have spared no exertion or expense to secure the large and profitable commerce of the Red River country beyond. The returns have amply rewarded them for their outlay. And if mere trading interests are considered as a sufficient compensation by the Minnesotians for opening up communication to the Red River (to them a foreign country), how much more ought the same considerations, when superadded to the many others of equal, if not of yet higher, importance, which apply in the case of Canada, to cause surprise in regard to our indecision and supineness in not long before stretching forth our communications so as to embrace a country presenting so many inviting features of interest.

The trade passing between the Red River Settlement and the United States, even in the present condition of the north west, was stated by the Earl of Carnarvon, in his place in the House of Lords, to amount to no less than \$1,500,000 during the summer of 1859 ; added to this, traffic to the amount of

at least \$500,000 finds its way through the channels of the Hudson's Bay. Thus there is a commerce of about \$2,000,000 annually maintained with the north-west, the greater portion of which, even supposing most of the country to continue under the control of the Hudson's Bay Company, would pass over the proposed new route, attracted thither by the three combined requisites—cheapness of carriage, shortness of the road, and speed.

Such being the trade of the country, whilst as yet but slightly improved from its natural state, who shall estimate its value when brought under the influences of advancing civilization, and made to administer to the wants of the millions we are assured of its capability of sustaining in comfort and affluence!

The undersigned respectfully submits that such a territory ought not to be permitted longer to remain under the sole control of the mere handful of traders, however powerful and influential, who have hitherto monopolised its rich resources, and for so many years barred out all others from a participation in its advantages.

Sooner or later their hold upon those portions of it specially suitable to agriculture must be relaxed, and a movement having for its object an end so desirable is deserving of prompt and liberal encouragement. In our proceedings hitherto we have been far too tardy. Our apparent indifference and unconcern have been taken advantage of by the Hudson's Bay Company, to assert, with continuously increasing pretension, their claims to the entire territory, and to-day it may be said, with truth, that they feel themselves stronger than ever before in their claims to keep, if they choose, for all time to come, unsettled, a vast region in every way suited to human habitation.

Without any suggestion at present as to legal title, it is sufficient that we are invited by His Grace the Duke of Newcastle to join in adopting means to effect the communication on this side to the summit of the Pass of the Rocky Mountains; and that while, in his Dispatch of the 3rd June last, he promised the co-operation of the Imperial Government, he afterwards intimated to the House of Lords, on the 4th July, his hope "that when Parliament met next year, he should be able to inform their Lordships that some progress had been made towards the establishment of postal communication between Canada on the one side, and New Westminster on the other." In the opinion of the undersigned, it is not only desirable, but essential, that advantage be taken of the present favourable disposition of the Imperial authorities.

The late administration, yielding to the pressure of public opinion, exhibited as well as professed a strong sense of the practical importance of opening up the first link of the route.

To this end, subsidies were from time to time, at their request, readily granted by Parliament; but, for some cause or other, whether arising from difficulties occasioned by rival claimants for the performance of the service, or want of judgment in the parties immediately concerned in the application of the funds, or otherwise, it is not for the undersigned here to express an opinion, the means granted by the liberality of the Legislature for a good and useful purpose were worse than wasted, although, during the first year, before partizan rivalry had been introduced, and when real efforts were directed to the solution of the question as to the commercial advantages and the feasibility of the project, success beyond the expectation of the parties engaged was the actual result.

As to the difficulties suggested by the Hudson's Bay Company, through their officers, Governors Berens and Dallas, in the correspondence herein referred to, those gentlemen in truth substantially, though evidently unwittingly, vindicated most strongly the views contended for by the advocates of improvement and colonization.

The first and second of the objections of Governor Berens as to the practicability of the route between Lake Superior and Red River, and the deductions to be drawn from the failure of the projects hitherto encouraged by the Canadian Government, are sufficiently met by what has gone before.

His next statement establishes, in the judgment of the undersigned, the very reverse of the conclusion he arrives at, and one finds it difficult to account for his permitting himself to be involved in such manifest inconsistencies as are apparent on the very face of his statement.

Directly in contradiction of the well-authenticated reports of others, among them Governor Dallas, who speaks of the Red River and Saskatchewan countries as the sources of supply of the employés of the Company, Governor Berens described the country beyond the Red River to the base of the Rocky Mountains, "as a vast desert, in some places without wood or water, exposed "to the incursions of roving bands of Indians, and entirely destitute of any "means of subsistence for emigrants, save herds of buffalo which roam at large "through the plains, and whose presence on any particular portion of these "prairies can never be reckoned on. These again," he says, "are followed up "by Indians in pursuit of food," (a good ground, one would say, for the buffalo not remaining all the time in the same particular places,) "whose hostility "will expose travellers to the greatest danger." One can well fancy precisely the same reasons being given by interested parties in any uncivilized country against its settlement. The Governor evidently loses sight of his design to prove the territory to be a vast desert, when he adds to that terror those of the Indians and the buffalo. The early settler in any part of America would tell him that the regions to which the Indian, as well as the buffalo and other wild animals most resorted, were those above all others the most fertile and fitted for cultivation, and just the sections most sought after by the pioneer, anxious within the shortest possible period to make for himself and those dependent upon him a habitation, and to aid in conquering for his country with his axe, his spade and his plough, fresh accessions and contributions to civilization and improvement.

The Governor's next fear, namely, that the construction of telegraph lines would be useless, because of the probability of their being burnt up, is just as groundless, as is apparent from the fact that over the boundless plains of California, and across the unsettled prairies of Illinois and other states, these almost indispensable accompaniments of civilization are in full, active, and undisturbed operation.

So with respect to the "depredations of the natives, and the general "chapter of accidents." These are encountered in every new country, and are not in our day anything like such formidable obstacles as they have been in the past.

On Governor Berens' principle, the settlement of any portion of America was a grave mistake, for at some time or other, and at every place within its vast extent, precisely the same difficulties which he conjures up in the shape of roving bands of Indians, wild animals, desolation by flood and tide and tomahawk, as well as a "general chapter of accidents" existed over them all. However, the unconquerable white race triumphed, and to its energy and self-sacrificing exertions and indomitable perseverance the British and Canadian people are indebted for an inheritance such as Providence never before bestowed upon any race since the world began.

If they fail to improve their opportunities the loss will be proportionate to the advantages otherwise certain of attainment.

Differing from Governor Berens, as well as to the facts as with respect to the style of objection, Governor Dallas puts the whole matter on its true ground, when he refers to the Saskatchewan and the Red River Countries as the sources whence the Hudson Bay Company draw their supplies of food.

And the simple question, in view of his admission, is, as to whether or not these magnificent territories shall continue to be merely the source of supply for a few hundreds of the employés of a fur-trading Company, or the means of affording new and boundless contributions to civilization and commerce—whether they shall remain closed to the enterprise and industry of millions, in order that the few may monopolize their treasures, and keep them, for all time to come, as the habitation of wild beasts, and the trappers engaged in their pursuit.

It is but necessary to add that, in point of distance, as well as in other respects, the Canadian route, with its facilities fully developed, would manifestly be the superior one.

From Toronto to Fort Garry, by way of St. Paul's—or, as it is called, the Minnesota route—the distance is over 1,500 miles; by the Lake Superior, or

Canadian, 1,114 miles. The former in its unimproved state was the more practicable because of the nature of the soil, the evenness of the surface and comparative absence of woodlands, but, with each equally improved, ours would be decidedly the more advantageous.

It rests with us to see that our advantages are not thrown away.

In July last, the undersigned, in considering an arrangement, the preliminaries of which had been agreed upon, for the carrying of the mails to Fort William, to be at once improvident and useless as regards the opening up of the territory, recommended its abrogation and the establishment of a temporary mail service for the season, pending further action of a more permanent character.

In the report which he had then the honour to make, and which was adopted by his Excellency the Governor-General in Council, the importance of aiding in the securing of the needed communication with the North West Territories was fully sanctioned. He now respectfully submits, that, to render effective the suggestions then so recognized, it is desirable that immediate steps should be taken to commence, at the opening of navigation next year, a series of operations having for their object—first, the establishment of a regular mail service to the head of Lake Superior; and secondly, the construction of roads, and the improvement of the lakes and rivers thence westward towards British Columbia.

From the best information obtainable on the subject, and which the undersigned believes to be wholly reliable, it is ascertained that a sum of £80,000 would be abundantly sufficient for the permanent opening up and establishment of efficient and continuous land and water communication to Red River from the head of Lake Superior. Thence to the passes of the Rocky Mountains it is estimated that an additional £100,000 would be amply adequate.

Thus the whole expenditure, including steam service on Lake Superior and on the navigable reaches beyond, would certainly not exceed £200,000.

With reasonable encouragement from the Government, the undersigned feels justified in stating that no more than ordinary difficulty would be encountered in the obtainment of the necessary means; and he has no doubt whatever, from the repeated assurances of his Grace the Duke of Newcastle, speaking on behalf of the British Government, that from the Imperial authorities effective co-operation can be relied on.

The question as to what is reasonably to be expected from Canada is that at present to be considered.

In view of all the facts and circumstances, and feeling that on our people it is the initiative in the matter rests—that it is to the province the Imperial Government looks for a commencement of the movement—a movement demanded alike from our patriotism and our interests, the undersigned considers himself fully justified in submitting that, unless the Government deem it expedient to proceed under the direction of the Honourable the Commissioners of Public Works, as soon as it can be shown that competent and responsible parties are prepared to assume the work, they should propose to Parliament the granting of an annual subsidy of \$50,000, or such other sum as his Excellency the Governor-General in Council may deem judicious, for a term of years, towards the undertaking. Should the above suggestions for a subsidy be concurred in, the undersigned will be in a position to submit to His Excellency the Governor-General in Council the details of such arrangements as it may be desirable to make with responsible parties willing to perform the service; but as the question of the construction of works, as well as that of carrying the mails, would be involved, it is expedient that the Honourable the Commissioner of Public Works should be associated with him for that purpose.

All of which is nevertheless respectfully submitted.

(Signed)

M. H. FOLEY,

Postmaster-General.

Quebec, 17th October, 1862.

Subsequent to the receipt of Mr. ELLIOT's letter of the 5th March (No. 15), Mr. G. G. GLYN, M.P., Mr. BENSON, Mr. BLAKE, Mr. CHAPMAN, and Mr. WATKIN had an interview with the DUKE OF NEWCASTLE, at the Colonial Office, when mutual explanations were exchanged, and it was arranged that formal proposals should be made to the Colonial Minister on behalf of the promoters of the enterprise.

The following Correspondence shows the proposals made on this understanding, and the reply received from Her Majesty's Government.

No. 17.

21, Old Broad Street,

London, E.C,

April 28, 1863.

MY LORD DUKE,

Referring to the letter which I had the honour to receive by direction of your Grace from Mr. Elliot, under date of the 5th ultimo; to the interview which your Grace was good enough subsequently to afford to Mr. G. G. Glyn, M.P., Mr. Benson, Mr. Blake, Mr. Chapman, and myself, and to the discussions which recently have taken place on general details with Sir Frederic Rogers and Mr. Murdoch, under your Grace's instructions, I have now to enclose proposals which I trust will meet your Grace's approval, for the establishment of a postal and telegraphic route between Canada and the Pacific Ocean.

It is hoped that these proposals will be found to be such as your Grace may be able to recommend, and that their adoption by Her Majesty's Government, by Canada, by British Columbia, and by Vancouver Island, may lead to the completion of the most important work involved, at a very early period.

Throughout the discussion, which has now occupied a considerable period, it has been assumed as a condition that the Hudson's Bay Company will agree to the confirmation of the grant and consequent rights, which in their letter to your Grace of the 11th August last they offered to afford in aid of the enterprise, and that Her Majesty's Government will carry through such measures as are requisite for securing to the Company the rights and privileges necessary to the security of the undertaking; and considering the deep interest which your Grace has taken in proposals for connecting the Atlantic and Pacific for purposes of communication, through British territory, from the first suggestion of such a measure by your Grace to this moment, the promoters of the Company have had pleasure in voluntarily adding, as a concluding article to the enclosed document, a provision that any further questions of detail, and any matters of difference, should such arise, shall be left to the sole decision of your Grace.

I have to observe that the rate of interest to be secured to the Company, when it was assumed that Her Majesty's Government would take a direct part in the guarantee, was 4 per cent. as a minimum; but at the same time it was proposed that, in the event of the colonies alone becoming responsible, a larger rate of interest would be considered requisite. A reference to the documents will show that this was the case. In the enclosed paper, therefore, the maximum rate of interest is taken at 5 per cent., while the minimum of 4 per cent. is still preserved; and it will be for your Grace, should the colonies decide to

accept the proposals, to accord, as between the parties, such a rate, and such a rate only, as the circumstances of the time may render necessary with a view to securing the absolute success of the undertaking.

I have the honour to be,
Your Grace's most obedient Servant,

(Signed)

EDWARD W. WATKIN.

His Grace

The Duke of Newcastle, K.G.,
&c., &c., &c.,
Colonial Office.

No. 17A. (Enclosure in No. 17.)

Hheads of Proposal for establishing Telegraphic and Postal Communication
from Lake Superior to New Westminster.

The "Atlantic and Pacific Transit and Telegraph Company" propose to establish and maintain communication by Electric Telegraph and a Mail Post, passing at such intervals, fortnightly or otherwise, as shall be agreed upon, between a point at the head of Lake Superior, and New Westminster in British Columbia, on the following terms:—

1. That the Imperial Government, the colonies of Canada and British Columbia, and the Hudson's Bay Company, shall each, within the territories belonging to them, grant to the Company such land belonging to the Crown or Company, and all such rights as may be required for the Post Route, Telegraph and necessary Stations, and for the proper working thereof.

2. The line of Telegraph shall be divided into proper sections, and so soon as Telegraphic communication is established throughout any such section, the colonies of Canada, Vancouver Island, and British Columbia will guarantee to the Company a rate of profit on the capital expended at the rate of not less than 4 nor more than 5 per cent. (with all surplus profits to the Company), provided that the total amount of the capital guaranteed shall be limited at £500,000, and that the total annual payment to be made by Vancouver Island and British Columbia together shall not exceed £12,500. Provided, also, that the interest accruing upon the money paid up by the shareholders until the above guarantee shall take effect shall be reckoned as capital; and provided, further, that in case the telegraphic line shall not be completed within five years, (unless by reason of war or commotion,) or in case of any wilful default of the Company, the above guarantee shall be suspended until the line shall be so completed.

3. In case the route shall run through crown land not within the limits of Canada or British Columbia, nor within the territory claimable by the Hudson's Bay Company, the Company shall be entitled to demand Crown grants to the extent of five square miles for every mile of telegraph line within such Crown land. Such grants shall be demandable so soon as the telegraph communication shall be completed across such Crown land, and the blocks granted shall be adjacent to the telegraph line, and shall be as near as may be five miles square, and shall alternate on each side of the line with blocks of similar frontage, which shall remain in the possession of the Crown. The Company is not to sell this land except under effectual conditions of settlement, and in case the undertaking shall be permanently abandoned the land not so sold is to revert to the Crown.

4. The Company shall not dispose of the telegraph without the consent of the Imperial Government.

5. The Colonial Governments within their respective limits, or the Imperial Government in any part of the line, may at any time take temporary possession of the telegraph line, in case the public interest requires it, on payment of a rate of compensation to be hereafter agreed, and Government messages shall at all times, when demanded, have priority over all others.

6. The Home Government, with the consent of the parties, will introduce into Parliament such measures as may be requisite to give effect to this proposal.

7. The telegraph and works, and the servants and agents of the Company, shall be considered as under the protection of the Crown and of the Colonial Governments as fully as if in the settled districts of British North America.

8. The Company and its works shall be exempt from all taxation for a period of thirty years.

9. Any further matters of detail or questions of difference requiring discussion to be remitted to the sole decision of His Grace the Duke of Newcastle, Her Majesty's Principal Secretary of State for the Colonies.

No. 18.

Downing Street,
1st May, 1863.

SIR,

I am directed by the Duke of Newcastle to state that he has had much satisfaction in receiving your letter of the 23th ultimo, enclosing the heads of a proposal for establishing telegraph and postal communication between Lake Superior and New Westminster, through the agency of the Atlantic and Pacific Transit and Telegraph Company. These proposals call for some observations from his Grace.

New Westminster is named as the Pacific Terminus of the road and telegraph. His Grace takes for granted that if the Imperial Government and that of British Columbia should find on further enquiry that some other point on the coast would supply a more convenient terminus, the Company would be ready to adopt it.

Article 1.—His Grace sees no objection to the grant of land contemplated in this Article, but the "rights" stipulated for are so indeterminate that without further explanation they could scarcely be promised in the shape in which they are asked. He anticipates, however, no practical difficulty on this head.

Nos. 1 and 2.—The Duke of Newcastle, on the part of British Columbia and Vancouver Island, sees no objection to the maximum rate of guarantee proposed by the Company, provided that the liability of the Colonies is clearly limited to £12,500 per annum. Nor does he think it unfair that the Government guarantee should cover periods of temporary interruption from causes of an exceptional character, and over which the Company has no control.

But he thinks it indispensable that the colonies should be sufficiently secured against having to pay for any lengthened period an annual sum of £12,500, without receiving the corresponding benefit—that is to say, the benefit of direct telegraphic communication between the seat of Government in Canada and the coast of the Pacific.

It must therefore be understood 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. Nor could his Grace strongly urge on the colonies of Vancouver Island and British Columbia the large annual guarantee which this project contemplates, unless there were good reason to expect that the kindred enterprise of connecting Halifax and Montreal

by railway would be promptly and vigorously proceeded with. It will also be requisite to secure by formal agreements that the guarantee shall cease, and the grants of land for railway purposes revert to the grantors in case of the permanent abandonment of the undertaking; of which abandonment some unambiguous test should be prescribed—such as the suspension of through communication for a stated period.

The Duke of Newcastle does not object to five years as the maximum period for the completion of the undertaking; and he thinks it fair to exclude from that period, or from the period of suspension above mentioned, any time during which any part of the line should be in occupation of a foreign enemy. But injuries from the outbreaks of Indian tribes, and other casualties which are inherent in the nature of the undertaking, must be taken as part of the risks which fall on the conductors of the enterprise, by whose resources and foresight alone they can be averted.

His Grace apprehends that the Crown Land contemplated in Article 3 is the territory lying between the eastern boundary of British Columbia, and the territory purporting to be granted to the Hudson's Bay Company by their charter. His Grace must clearly explain that Her Majesty's Government do not undertake, in performance of this article of the agreement, to go to the expense of settling any questions of disputed boundary, but only to grant land to which the Crown title is clear.

With regard to the 7th Article, the Duke of Newcastle could not hold out to the Company the prospect of protection by any military or police force in the uninhabited districts through which their line would pass; but he would consider favourably any proposal for investing the officers of the Company with such magisterial or other powers as might conduce to the preservation of order and the security of the Company's operations.

With reference to the 9th and concluding article, the Duke of Newcastle would not willingly undertake the responsible functions proposed to him, but he will agree to do so if by those means he can in any degree facilitate the project, and if he finds that the colonies concur in the proposal.

Subject to these observations, and to such questions of detail as further consideration may elicit, the Duke of Newcastle cordially approves of the Company's proposals, and is prepared to sanction the grants of land contemplated in the 3rd Article. He intends to communicate the scheme, with a copy of this letter, to the Governor-General of Canada, and the Governor of Vancouver Island, recommending the project to their attentive consideration.

I am, Sir,
Your obedient servant,

(Signed) C. FORTESCUE.

E. W. WATKIN, Esq.