

COPY of a REPORT of a COMMITTEE of the Honorable the PRIVY COUNCIL of CANADA, approved by His Excellency the GOVERNOR-GENERAL, July 1st, 1870.

On a Despatch, No. 129, dated 26th May, 1870, from the Right Honorable the Secretary of State for the Colonies, transmitting copies of a correspondence between the Hudson's Bay Company and the Colonial Department as to the liability for the losses sustained by the Hudson's Bay Company from the acts of the self-styled Provisional Government of the Red River Territory.

The Honorable the Minister of Finance, to whom the above despatch was referred, reports that he is of opinion that there is no practical question raised by that correspondence which requires any immediate action on the part of the Government of the Dominion.

That in a letter dated 13th of May, the Governor of the Hudson's Bay Company transmitted to the Colonial Department an extract from a Despatch from Governor McTavish, dated Fort Garry, 6th April, 1870, containing a narration of events which had occurred in the Red River Settlement subsequent to his previous despatch of 12th of February.

After reporting a series of outrages committed by the insurgents, Mr. McTavish proceeds to acquaint the Chairman and Directors of the Hudson's Bay Company, that their position is most critical, and that he cannot advise the Company to send out fresh supplies of Merchandise "until some guarantee shall have been obtained from the English or Canadian Government for their protection."

That in pursuance of the advice given by Governor McTavish, Sir Curtis Lampson, Deputy-Chairman of the Hudson's Bay Company, enquired whether Her Majesty's Government would enter into an engagement to indemnify the Company against loss or damage in case they should send out the Merchandise, which they stated was urgently required. Mr. Holland was instructed by Earl Granville to acquaint Sir Curtis Lampson, that before the arrival of the goods the country would probably have passed to the Canadian Government, and to suggest to him to apply to that Government for an assurance of indemnity in case of loss. Sir Curtis Lampson, in reply, pointed out the impracticability of entering into any negotiation with the Canadian Government under the circumstances, and added that the Hudson's Bay Company had determined to despatch their Stores as usual. He further expressed the adherence of the Company to their opinion, that the Imperial Government ought to have undertaken the responsibility, and added that in case of damage or loss occurring, they would look for indemnity to Her Majesty's Government should the Canadian Government decline to take it upon themselves. Sir Frederic Rogers was instructed to acquaint Sir Curtis Lampson in reply, that Her Majesty's Government do not accept the liability. Earl Granville's Despatch to your Excellency bears the same date as Sir Frederic Rogers' letter, so that it is not improbable that there may be some further remonstrance on the subject from the Hudson's Bay Company. It is, however, clear that Her Majesty's Government have determined not to assume any liability for future losses on the part of the Hudson's Bay Company; that in the present state of affairs at the Red River, he, the Minister of Finance, is of opinion that it would be inexpedient for the Canadian Government to assume the liability demanded by the Hudson's Bay Company; but he thinks it highly improbable that the Company will be exposed in the future to the acts of rapine and plunder to which they have been recently subjected.

The Minister of Finance states that he would have been inclined to close his remarks here but for some observations in the letter of Sir Curtis Lampson, dated 13th May, which, in his opinion, ought not to be allowed to pass unnoticed. Sir Curtis Lampson states in that letter that he deems it "of the utmost importance" that Her Majesty's Government should be made acquainted with the results which are arising from the proceedings adopted by the Government of Canada, and which alone have led to the formation of the so-called Provisional Government. He then proceeds to state that "the Committee abstain from entering at this moment into the general question of the proceedings taken by the Canadian Government, or into the question as to who is to be held responsible for the damages and injuries they will have produced."

The Minister of Finance does not feel called upon to enter into a defence of the Canadian Government against such vague accusations as those which he has cited from the letter of Sir Curtis Lampson, but that as there can be no doubt that "damage and injuries" have been sustained, not only by the Hudson's Bay Company, but by a considerable number of Her Majesty's subjects in the Red River Territory, and that claims will be hereafter presented for such damages and injuries, it may be proper to take the present opportunity of disclaiming, on the part of the Government of the Dominion, any responsibility for the acts of the self-styled Provisional Government of the Red River Territory.

The Committee concur in the Report of the Honorable the Minister of Finance, and advise accordingly.

Certified,

(Signed) WM. H. LEE,
Clerk, Privy Council, Canada.

Hudson's Bay House,
August 9th, 1870.

Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

I have the honor to acknowledge the receipt of your letter of 3rd instant, transmitting for the information of the Committee of the Hudson's Bay Company, a Despatch from the Governor-