

"Your Committee think it best to content themselves with indicating the outlines of such a scheme, leaving it to the Government to consider its details more maturely before the Act of Parliament is prepared, which will probably be necessary to carry it into effect.

"In case, however, Canada should not be willing at a very early period to undertake the government of the Red River District, it may be proper to consider whether some temporary provision for its administration may not be advisable.

"Your Committee are of opinion that it will be proper to terminate the connexion of the Company with Vancouver's Island as soon as it can conveniently be done, as the best means of favouring the development of the great natural advantages of that important island. Means should also be provided for the extension of the colony over every portion of the adjoining continent on which permanent settlement may be found practicable to the west of the Rocky Mountains.

"As to those extensive regions, whether in Rupert's Land or in the Indian Territory, in which, for the present at least, there can be no prospect of permanent settlement by the European race for any purpose except that of the fur trade, the opinion at which Your Committee have arrived is mainly founded on the following considerations: 1°. The great importance to the more peopled portions of British North America that law and order should, as far as possible, be maintained there; 2°. The fatal effects which they believe would infallibly result to the Indian population if a system of open competition in the fur trade, and the consequent introduction of spirits in a far greater degree than is the case at present; and 3°. The probability of the indiscriminate destruction of the fur-bearing animals in the course of a few years.

"For these reasons, Your Committee would recommend that the privilege of exclusive trade should be continued to the Hudson's Bay Company for a term of years, without, however, thereby giving to the chartered rights thus claimed by the Company any further sanction or validity than what they may already possess. Your Committee consider that it would be of the utmost consequence that the best understanding should be cultivated between the local Government of Canada and the Company, which, indeed, there seems no reason to doubt has generally existed between them up to a very recent period.

"Your Committee have now specified the principal objects which they think it would be desirable to attain. How far the chartered rights claimed by the Hudson's Bay Company may prove an obstacle to their attainment, they are not able, with any certainty, to say. If this difficulty is to be solved by amicable adjustment, such a course will be best promoted by the Government, after communication with the Company, as well as with the Government of Canada, rather than by detailed suggestions emanating from this Committee.

"Your Committee cannot doubt but that, when such grave interests are at stake, all the parties concerned will approach the subject in a spirit of conciliation and justice, and they therefore indulge a confident hope that the Government will be enabled, in the next Session of Parliament, to present a Bill which shall lay the foundation of an equitable and satisfactory arrangement, in the event, which we consider probable, of legislation being found necessary for that purpose."

Draft Report, proposed by Mr. *Christy*, read 1°, as follows:—

"1. THE near approach of the period when the license of exclusive trade, granted in 1838 for 21 years to the Hudson's Bay Company, over that North-Western portion of British America which goes by the name of the Indian Territory, must expire, would alone make it necessary that the condition of the whole of the vast regions which are under the administration of the Company should be carefully considered; but there are other circumstances which, in the opinion of Your Committee, would have rendered such a course the duty of the Parliament and Government of this country.

"2. Among these, Your Committee would especially enumerate the growing desire of our Canadian fellow-subjects, that the means of extension and regular settlement should be afforded to them over a portion of this territory; the necessity of providing suitably for the administration of the affairs of Vancouver's Island, and the present condition of the settlement which has been formed on the Red River.

"3. Your Committee have obtained much valuable evidence on these and other subjects connected with the inquiry which has been intrusted to them; and have had the advantage of hearing the statements of Chief Justice Draper, who was commissioned by the Government of Canada to watch this inquiry. In addition to this, Your Committee have received the evidence taken before a Committee of the Legislative Assembly appointed to investigate this subject, containing much valuable information in reference to the interests and feelings of that important colony, which are entitled to the greatest weight on this occasion.

"4. Your Committee have also had the opinion of the law officers of the Crown communicated to them on various points connected with the charter of the Hudson's Bay Company.

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