

I fear, my Lord, you will think me very prolix, as my proposition lies in a nutshell.

Great Britain has a territory bounded on the south, principally by the 49th parallel of latitude (the boundary between it and the United States); on the west by the Pacific Ocean, from 49° to 54°, and thence to 60° by a strip of Russian territory (20 leagues in breadth and following the sinuosities of the coast); from 60° to the Polar Sea in about 70° likewise by the Russian territory; on the north by the Polar Sea; and on the east by the Atlantic Ocean. A large portion of this has been granted to the Hudson's Bay Company, in which they can establish colonies, governments, courts of justice, &c. &c., and over the whole of the remainder (with the exception of Canada) by a grant from the Crown under an Act of Parliament, they enjoy the exclusive right of trade. I propose that the privileges which they possess under the grant of Rupert's Land should be extended over the whole territory in question. Your Lordship may feel a difficulty (however expedient it may be) under the present feeling in favour of free trade, to make so extensive a grant to any Company, though the Hudson's Bay Company did virtually possess, in addition to what they have asked for, the exclusive right of trade over all the disputed territory west of the Rocky Mountains, from the latitude of 42°, the Mexican boundary, to 49°; but I think this feeling may be met by an agreement on their part to relinquish to the country, at the expiration of their present license of exclusive trade, all advantages derived from the colonization of those parts not within the original grant to the Hudson's Bay Company, without receiving any compensation, on that account, beyond the cost value of any improvements which, at the time of such relinquishment, might have been effected, as was proposed with respect to the limited grant referred to in Mr. Hawes's letter of the 14th December. Indeed, as far as I am concerned, (and I think the Company would concur if any great national benefit would be expected from it), I would be willing to relinquish the whole of the territory held under the Charter on similar terms to those which it is proposed the East India Company shall receive on the expiration of their Charter, namely, securing to the proprietors an interest on their capital of ten per cent.

I have, &c.

(signed) *J. H. Pelly.*

— No. 11. —

COPY of a LETTER from *B. Hawes, Esq.*, to Sir *J. H. Pelly, Bart.*

Sir,

Downing-street, 13 March 1848.

No. 11.

I AM directed by Earl Grey to acknowledge the receipt of your letter of the 4th instant on the subject of the application of the Hudson's Bay Company for a grant of all the territories belonging to the Crown which are situated to the north and west of Rupert's Land in British North America.

*B. Hawes, Esq., to  
Sir J. H. Pelly,  
Bart.  
13 March 1848.*

Earl Grey directs me to state that he has fully considered the contents of your letter above mentioned, and is of opinion that it will be advisable in the first instance that the grant to the Hudson's Bay Company should be confined to Vancouver's Island. His Lordship will be happy to entertain any such proposal as you may think proper to submit to him for this purpose, proceeding on the principle which you have suggested, that the Company shall not derive any pecuniary profit from the undertaking, but shall apply all funds arising from the sale of lands or minerals towards the colonization and improvement of the island.

I have, &c.

(signed) *B. Hawes.*

— No. 12. —

COPY of a LETTER from Sir *J. H. Pelly, Bart.*, to Earl Grey.

No. 12.

My Lord,

Hudson's Bay House, 20 July 1848.

*Sir J. H. Pelly,  
Bart., to Earl Grey.  
20 July 1848.*

With reference to your Lordship's communication made to me through Mr. Merivale, under the date of the 13th March last, and to the various inter-

*Vide Letter to Sir  
J. Pelly, July 31,  
1848.*