

ment, consented to pay £300,000 sterling to the Company, no idea was entertained that it would be necessary to send a military expedition, at a great cost, to obtain peaceable possession of that territory.

A very general belief prevailed throughout the Dominion that the responsible Agents of the Hudson's Bay Company failed to make any effort to preserve their authority. Fort Garry, it is contended, could easily have been defended, and an appeal to the loyal inhabitants in the incipient stage of the insurrection would have insured tranquillity.

It may be urged that even though Mr. MacDougall acted with precipitation, he was led to do so owing to what he held to be the inertness of the Governor of the Hudson's Bay Company.

There is a wide-spread feeling in Canada, both in and out of Parliament, that the Hudson's Bay Company are chiefly responsible for the success of the insurgents in the Red River Settlement in 1869-70, and so long as this feeling remains unchanged, it would be useless for the Government of the Dominion to submit to Parliament any claim for compensation on the part of the Company. It must, moreover, be borne in mind that large claims have been made on the part of the loyal inhabitants who were imprisoned and expatriated during the ascendancy of the insurgents.

Although the opinion prevails very extensively in Canada that these losses should be satisfied by the Imperial Government or by the Hudson's Bay Company, on the ground that Canada had not then acquired the territory, the Dominion Government has undertaken to defray these losses.

The Committee of the Privy Council are of opinion that, under all the circumstances of this case, and considering the large share of the cost of the Expedition which they were required to bear, they may fairly call on the Imperial Government, which seems to admit the validity of the Hudson's Bay Company's claim, to satisfy it. In that case, while far from admitting the justice of the claim for interest from the 1st of December, 1869, to the date of payment, the Committee of Council would undertake to make good that part of the claim.

Certified,  
(Signed) W<sup>m</sup>. H. LEE,  
Clerk, Privy Council, Canada.

Hudson's Bay House,  
London, 23rd December, 1873.

SIR,

I am desired by the Committee of the Hudson's Bay Company to request that you will allow them to recall the attention of the Dominion Government to the correspondence which has already taken place between this Company, the Secretary of State for the Colonies, and the Government of Canada, on the subject of the claim put forward by the Company for compensation in respect of the losses sustained by them in the disturbances which took place at the Red River in 1869.

In my letter to the Colonial Office of the 1st November, 1870, a copy of which was transmitted by Lord Kimberley to the Government of Canada, I stated on behalf of this Committee that we considered the Company entitled, first, to interest at £5 per cent. on the purchase-money (£300,000) from the 1st December, 1869, the day on which we had received official information that it would be paid, to the 11th May, 1870, the day on which it actually was paid; secondly, to the amount exacted from the Company by the insurgents as ransom for their stock of furs, together with the value of any furs that might be proved to have been carried off; and thirdly, for such compensation for the pillage of their stores as might be found by an independent commission to be justly due to them.

The Privy Council of Canada, in a Report agreed to on the 19th April, 1871, expressed their willingness, in the event of Her Majesty's Government undertaking to satisfy the other portions of the Company's claim, to undertake to make good the interest on the purchase-money. Her Majesty's Government have, however, declined to admit any Imperial responsibility, and the Committee are therefore forced once more to draw the attention of the Dominion Government to their claims.

The Committee estimate the amount of the Company's losses, exclusive of the claim for interest, at £30,000. I enclose a statement, drawn up in October, 1870, and founded on information communicated to us by our Chief Commissioner.

I have the honor to be, Sir,  
Your most obedient Servant,  
STAFFORD H. NORTHCOTE,

To the Secretary of State for the Provinces.

Governor.