

Appendix.

COPY of a LETTER from *T. Frederick Elliot, Esq.*, to the Right Honourable Sir  
*E. Head, Bart., K.C.B.*

Sir,

Downing-street, 23 January 1867.

At a recent interview between Sir C. Lampson and yourself on the one side, and Lord Carnarvon on the other, respecting the position of the Hudson's Bay Company, some doubt appeared to exist respecting the exact state of the inchoate or intended negotiation for the transfer of certain of the rights claimed by the Company to Her Majesty's Government of the Province of Canada.

With the view of explaining the present position of the Canadian Government, I am directed by Lord Carnarvon to enclose extracts from a Minute of the Executive Council of Canada, dated the 22nd of June 1866, from which you will perceive, that while the question of confederation is pending the Canadian Government consider themselves incompetent to initiate negotiations, and bound to reserve them for the Confederate Government and Legislature.

It is, of course, for the Hudson's Bay Company to consider for themselves what course is most proper and conducive to their own interests. But it appears to Lord Carnarvon that any effective negotiation, being for the moment impossible, it is for the interest of both parties that the question should remain open for arrangement so soon as an authority exists capable of dealing with it on the part of the Colony or Colonies interested. He would, therefore, regret to learn that the Company contemplated any immediate action which was calculated to embarrass the negotiations which would then become possible, and which, in the opinion of the Executive Council, it would be the duty of the Confederate Government to open.

The Right Hon. Sir E. Head, Bart.  
&c. &c. &c.

I am, &c.  
(signed) *T. Frederick Elliot.*

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(Enclosure.)

EXTRACT of a REPORT of a Committee of the Honourable the Executive Council, approved by His Excellency the Governor General in Council, on the 22nd day of June 1866.

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"Impressed with this conviction Canada would, ere this, have opened negotiations with the Hudson's Bay Company for the extinction of their claims, had it not been for the prospect of her speedy absorption in the proposed union of the British North American Colonies, it would obviously have been improper for the Canadian Government to commence negotiations which they could not hope to complete, or to enter into engagements, the fulfilment of which must fall on the whole Confederated provinces.

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"Recent events serve to show that in a few months that union will be effected, and the Committee will have no doubt that the Confederate Government and Legislature will feel it to be one of their first duties to open negotiations with the Hudson's Bay Company for the transfer of their claims to the Territory. Meanwhile Canada invites the aid of Her Majesty's Government in discountenancing and preventing any such sales of any portion of the Territory as is now applied for."

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