

law to receive and hold in their corporate capacity any lands within the dominions of the British Crown westward of the Rocky Mountains.

The Company's answer to these inquiries may perhaps relieve his Lordship from the difficulty which he at present feels in returning any definite answer to their application.

I have, &c.
(signed) *B. Hawes.*

— No. 3. —

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

No. 3.
Sir *J. H. Pelly*,
Bart., to *B. Hawes*,
Esq.
24 October 1846.

Sir,

Hudson's Bay House, 24 October 1846.

I HAVE to acknowledge the receipt of your letter of the 3d instant, stating that you had received the directions of Earl Grey to make certain inquiries of the Directors of the Hudson Bay Company, the answers to which might perhaps relieve his Lordship from the difficulty he at present feels in returning any definite answer to the application made in my letter of the 7th September, respecting an establishment which the Company have formed on the south point of Vancouver's Island.

In reply to his Lordship's inquiries as to the extent and limits of the territory in the possession of which the Company desire to be confirmed, and the soil, harbours and navigable streams comprised within it, I enclose the Report, dated July 12, 1842, made by Mr. Chief Factor Douglas, the officer who was sent to survey the locality, and to select an advantageous situation for carrying on the Company's trade in the event of any portion of the territory north of the Columbian River falling under the dominion of the United States, together with extracts from despatches of various dates received at the Hudson's Bay House since the receipt of that report.

The only additional information in the Company's possession will be found in the report of Lieutenants Warre and Vavasour, dated November 1, 1845, addressed to the Secretary of State for the Colonies, and in that of Lieutenant Vavasour to Colonel Holloway of the Royal Engineers, Canada, dated March 1, 1846, which is accompanied by a sketch of the harbour of Lamoosan, and a plan of Fort Victoria.

In reference to the question, whether the Company are advised that their right is clear in point of law to receive and hold in their corporate capacity any lands within the dominions of the British Crown westward of the Rocky Mountains, I beg to observe that there is nothing in the Charter of Incorporation, granted to the Company by Charles II., to preclude them from holding lands in addition to those comprehended within it; and I entertain no doubt whatever, that if Her Majesty be graciously pleased to grant the Company, in perpetuity, any portion of the territory westward of the Rocky Mountains now under the dominion of the British Crown, such grant will be perfectly valid. Had I, indeed, ever had any doubt on that point, it would have been removed by the treaty lately concluded between Great Britain and the United States, in the 3d Article of which (as I interpret it) the British Government has fully recognized the right in question.

The lands held by the Company south of the 49th parallel have been confirmed to them under that treaty by an Act of the Crown, and they therefore hope that Her Majesty's Government will not see reason to withhold from them a similar confirmation in the lands they held north of that parallel at the time the treaty was concluded.

This, however, is a matter of small importance compared with the colonization of such parts of the territory as may be adapted to that purpose.

The Royal grant to the Hudson's Bay Company of the exclusive privilege of trading with the natives of the territories westward of the Rocky Mountains, dated May 13, 1838, reserves to the Crown the right of establishing colonies within those territories, or of annexing any part of the territories to any existing colony or colonies; and the Company's charter constitutes the territory included within the limits therein prescribed, "one of His Majesty's plantations and colonies in America," under the name of Rupert's Land. The *inference* informed, therefore, appears to me to be clear and obvious that the Company may