

which they now enjoy over the territories of North Western America, but which is not claimed under their Charter, and not included in British Columbia. At the same time, regard being had to the proximity of the period at which the present licence will expire, namely, in May next, and the injury to the public interest in the regions comprised in the licence which might, in the present state of things, arise from its termination at that date, Her Majesty's Government are willing to grant the Hudson's Bay Company a fresh licence for one year, to commence from the expiration of the present licence.

H. H. Berens, Esq.

I have, &c.
(Signed) CARNARVON.

No. 7.

No. 7.

COPY of a LETTER from the Earl of CARNARVON to H. H. BERENS Esq.

SIR,

Downing Street, February 15, 1859.

I AM directed by Secretary Sir E. B. Lytton to inform you that a Despatch has been received at this office from Governor Douglas, reporting that on the 3rd of last November he had duly proclaimed the revocation of the licence of the 30th May 1838, to the Hudson's Bay Company, for exclusive trading with the Indians, in so far as the same embraces the territories comprised in British Columbia.

H. H. Berens, Esq.

I have, &c.
(Signed) CARNARVON.

No. 8.

No. 8.

COPY of a LETTER from H. MERIVALE Esq. C.B., to H. H. BERENS Esq.

SIR,

Downing Street, March 9, 1859.

I AM directed by Secretary Sir E. B. Lytton to acknowledge your letter of the 8th February last,* conveying, on the part of the Directors of the Hudson's Bay Company, their refusal to entertain the proposal which he had caused to be submitted to them, that Her Majesty should be advised to renew their licence of exclusive trade with the Indians for a year.

* Page 13.

Your letter, however, goes also at considerable length into a general statement of the present position of the Hudson's Bay Company, and defence of its conduct; and it becomes necessary that Sir E. Lytton should enter upon that wider field of discussion, so far at least as may be required in order to justify the proceedings of Her Majesty's Government, before he replies to the more urgent part of your communication.

I am to state at the outset that Sir E. B. Lytton has received from the Governor of Canada a despatch, copy of which is enclosed, informing him that the local government require to consult the Legislature before deciding whether they will or will not undertake legal proceedings against the Company.

29th Jan. 1859.
Vide page 4.

Sir E. Lytton, in regretting this delay, trusts that it will not be much prolonged. It is obviously due to Canada, on a matter in which she is so much concerned, to grant a reasonable time for a definite answer from the Province; but as it is also desirable that the whole question regarding the Charter territories should be settled in the course of the present session, it is Sir Edward's intention to inform the Governor-General of Canada that if the answer does not arrive by the 1st of May Her Majesty's Government must feel themselves free to act.

To return to the general subject of your letter. The late Government, as your letter recites, were willing to test before the Judicial Committee, not the existence, but the extent of the rights claimed under the Charter. To this proposal the Company assented, but Canada declined to take part in an inquiry so limited. Whatever the original advantages of such a scheme may have been, the refusal of Canada to take part in the proceedings absolutely nullified it. A decision as to the limits of the Charter, waiving the question as to its general validity, could, after that refusal, have bound no one except the mere parties to the proceeding, and would have been practically useless.