

undertake legal proceedings in this country against the Hudson's Bay Company, if that Company should refuse to allow the validity of their Charter to be tested by agreement before the Judicial Committee of the Privy Council.

It was in consequence of this understanding that I addressed to you my despatch of 22d December last, informing you of their refusal.

It was my hope that I should receive an answer to that despatch, expressing in definitive terms the resolution arrived at by the Canadian Government, before the meeting of the Imperial Parliament; and it now becomes necessary that I should press on you the importance of my receiving such an answer immediately, in order that Her Majesty's Government may determine on the course to be taken by themselves.

I have, &c.

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

(Signed) E. B. LYTTON.

No. 4.

No. 4.

COPY of a DESPATCH from the Right Honourable Sir EDWARD BULWER LYTTON Bart.
to the Right Honourable Sir EDMUND HEAD Bart.

(No. 37.)

SIR,

Downing Street, March 10, 1859.

WITH reference to former correspondence on the subject of the affairs of the Hudson's Bay Company, I now transmit to you copy of a farther correspondence which has taken place between this Department and the Governor and Committee of that Company, on the subject of the approaching expiration of their trading licence in North Western America, you will observe that, as that licence expires in May next, Her Majesty's Government could not avoid entertaining the question, although they would have preferred waiting for the decision of the Canadian Government as to trying the validity of the Charter, in order that the whole subject might be disposed of together.

With respect to this latter question, it is impossible for Her Majesty's Government to allow the present session of parliament to pass by without endeavouring to use it for the settlement of pending questions. I have, therefore, to add, that unless I receive by the first of May next the decision of the Canadian Government and Legislature, whether they will or will not contest the validity of the Charter, Her Majesty's Government must proceed, though with reluctance, to take such steps as to the Charter territory, whether in the way of negotiation, legislation, or legal proceedings, as they may be advised. Ample care will, however, be taken, in any case, to reserve and protect whatever claims of right Canada may hereafter establish.

I have, &c.

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

(Signed) E. B. LYTTON.

No. 5.

No. 5.

COPY of a DESPATCH from the Right Honourable Sir EDWARD BULWER LYTTON Bart.
to the Right Honourable Sir EDMUND HEAD Bart.

(No. 43.)

SIR,

Downing Street, March 18, 1859.

WITH reference to former correspondence on the subject of the affairs of the Hudson's Bay Company, I have now to inform you that the Governor and Directors have finally declined the proposal made to them by Her Majesty's Government on public grounds, of an extension of their licence for two years (instead of one as originally offered). The correspondence shall be transmitted to you by next mail, as there is not time for the present.

In May next, therefore, the licence will expire, and Her Majesty's Government have now under consideration the steps which it may be necessary to take in consequence of that expiration.

You cannot fail to observe that this circumstance renders the disposal of the pending questions relative to the Charter of even more urgent necessity than it was before. The question as to the future management of the licence territories and of the Charter

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