

" shown to have been in the possession of the French at the period of the cession in 1763.

" In reply to this Despatch, Mr. Cardwell, on 1st July, 1864, requested to be informed whether the Government of Canada was prepared to assist in negotiations with the Hudson's Bay Company, with the view of accepting any portion of the Territory now claimed by that Company, and providing the means of local administration therein; and he suggested that if so prepared it would be desirable that some person duly authorized to communicate the views of the Canadian Government should be sent to England for that purpose.

" On the 11th November 1864, a minute of Council was approved by Your Excellency, in reply to Mr. Cardwell's Despatch. It set forth that the Government of Canada was ready and anxious to co-operate with the Imperial Government, in securing the early settlement of the North-West Territories, and the establishment of local Government in its settled portions; but that in its opinion the first step towards that end was the extinction of all claims by the Hudson's Bay Company to proprietary rights in the soil and exclusive rights of trade. It suggested that it was for the Imperial Government, and not for the Government of Canada, to assume the duty of bringing to an end a monopoly originating in an English Charter, and exercised so long under Imperial sanction; but that when the negotiations were brought to a close, the Government of Canada would be ready to arrange with the Imperial Government for the annexation to Canada of such portions of the Territory as might be available for settlement, as well as for the opening up of communications into the Territory and providing means of local administration. Or should the Imperial Government prefer to erect the Territory into a Crown Colony, the Canadian Government would gladly co-operate in the opening up of communication into the Territory, and the settlement of the Country. The minute finally suggested that the Hon. President of the Council while in England would communicate more fully to Mr. Cardwell the views of the Canadian Government.

" The negotiations that followed on this despatch, satisfied us of the impossibility of enforcing the end sought by Canada without long-protracted, vexatious and costly litigation. The Hudson's Bay Company were in possession, and if time were their object, could protract the proceedings indefinitely; and Her Majesty's Government appeared unwilling to ignore pretensions that had frequently received *quasi* recognition from the Imperial authorities. Calling to mind, therefore the vital importance to Canada of having that great and fertile country opened up to Canadian enterprise, and the tide of emigration into it directed through Canadian channels—remembering also the danger of large grants of land passing into the hands of mere moneyed corporations and embarrassing the rapid settlement of the country—and the risk that the recent discoveries of gold on the Eastern slope of the Rocky Mountains might throw into the country large masses of settlers unaccustomed to British Institutions—we arrived at the conclusion that the quickest solution of the question would be the