

scope of the remarks already made under the foregoing number. The specification of the Company's rights in the paragraphs a, b, and c, is accepted so far as it goes, but it falls far short of their entire extent.

V. This proposition, pp. 15 to 17, is also based upon the same assumption as the preceding one. The definition of the Company's possessory rights may be accepted in so far as the mere land claim is concerned. A few words of explanation of the revocation of the License of exclusive trade in 1859 will show the utter groundlessness of the pretensions of the Respondents founded upon it. By the terms of the second License granted in 1838, a power was reserved by the Crown to establish colonies within the territories covered by it, and for that purpose to revoke the License or any part of it. (Doc. Ev., p. 319).

This revocation became necessary, and was made in accordance with these terms upon the erection of the two colonies of Vancouver's Island and British Columbia in 1859. The fact that the British Government deemed it necessary specially to reserve in the License a sovereign right of this nature, shows how large and comprehensive it considered the rights of the Hudson's Bay Company to be in the country.

The revocation was made as stated upon the erection of the two colonies of Vancouver's Island and British Columbia, but the Respondents are entirely wrong in their facts when they assert that this revocation affected the *status* of the Company in these two colonies. On the contrary, they continued to enjoy all their rights there, except the right of excluding others from the fur trade. The Posts and establishments were undisturbed in both colonies, and they received for them a formal conveyance in fee simple from the British Government. It certainly required great moral or rather immoral courage in the face of these facts to set up the statements and conclusions preferred in behalf of the Respondents under this number V.

VI. This proposition relates to the nature and extent of the obligation of the United States to "respect" the Company's rights. The proposition does not, in the form in which that obligation is put materially differ in principle from the proposition of the Company