

"warranto against a charter of that description; that he thought it a tyrannical and high-handed proceeding which no Government ought to undertake.

"The two Law Officers afterwards gave their opinion in writing that the Crown ought not in justice to raise this question as to the general validity of the charter; but that on every legal principle the Company's territorial ownership of the land, and the privileges and rights incidental thereto—as for example the right of excluding persons acting in violation of their regulations—ought to be deemed valid."

[Page 1811] "From conversations he (Mr. Labouchere) had held upon this subject with the most eminent lawyers, both of this country and of Canada, he believed what could be affirmed on the matter was, that so far as a right to the territory was concerned, the charter was good, but, that so far as exclusive trade was concerned, the Crown had acted *ultra vires* in granting it. \* \* \* The country held under license" (that is, in contradistinction to the country held under charter) "was never given to the Company except with the distinct reservation on the part of the Crown of the right to establish Colonies. At the present moment the Government might erect in that part of the territory a Colony without asking the leave of the Company, and the Bill before the House in reference to New Caledonia" (*i. e.*, British Columbia) "was a proof of the correctness of his statement."

[Page 1813] "Lord Grey when Colonial Minister referred the question as to the validity of the rights claimed by the Hudson's Bay Company to the Law Officers of the Crown, who came to the deliberate conclusion, to which he (Mr. Labouchere) himself subsequently arrived, that it would not be becoming or consistent with precedent for the Government to institute proceedings with a view to try the validity of a charter granted by the Crown. He should, therefore object to the resolution proposed in relation to that point."

[Page 1813] "Under these circumstances he thought the House had better leave the matter in the hands of the Executive Government, whose views would doubtless be explained by the Right Hon. Baronet (Sir Bulwer Lytton) opposite."

Sir Bulwer Lytton, Colonial Secretary, said [Annexure 11, p. 1816]:—"The license is a question wholly distinct from that of the charter, the license gives none of the territorial rights which the charter assumes, it involves no principle of compensation in case of lands which Colonies may require."

[Page 1819] "But now comes the difficulty. The land" (*i. e.*, about Red River) "he would thus dispose of for colonization is within the charter of the Hudson's Bay Company, and if that charter be valid, the land belongs to the Company, but not the monopoly of trade, except as includes the right of ownership to keep others off the land. The Law Officers of the late Government, men of very high distinction, consider that the Crown cannot now with justice raise the question of general validity of the charter."

[Page 1820] "It is our intention to submit the question to the most careful and deliberate consideration of our Law Officers, and ascertain from them whether in equity and justice we could advise the Crown or recommend to Parliament any mode by which to facilitate a judicial decision upon this venerable title deed."

[Page 1821] "We can obviously say nothing till their" (the Law Officers) "opinion is received."

Lord John Russell [p. 1822] said "the Right Hon. gentleman (Sir B. Lytton) who has just sat down, has a difficult task before him, and I am quite sure that the House will be inclined to give him whatever time he may think necessary in order to decide upon the course of policy which may seem most useful to the country and most beneficial to mankind."

[Page 1822] "We have then this further question, what are the rights of the Company? Now, coming to this last point, which I think involves the greatest difficulty of all." \* \* \* (p. 1823) "if upon the other hand it should be found that they do possess such a right, and that you think it necessary for Imperial purposes to take away from them privileges which they now enjoy, then I think they must be held to have a claim to compensation which you cannot resist."

Mr. Mills [Annexure 11, p. 1826] "certainly agreed with the spirit of the three resolutions proposed by the Hon. and learned gentleman, and he cordially hoped the day was not far distant when the important question alluded to by the noble Lord would be settled in a manner satisfactory to the people of Great Britain."

Mr. Lowe [Annexure 11, p. 1827] "held that it would be derogatory to the dignity of the Government, derogatory to the dignity and good faith of the House if they were now to