

purposes of settlement, with which lands she is willing to open and maintain communications, and for which she will provide the means of local administration. Your Committee apprehend that the districts on the Red River and the Saskatchewan are among those likely to be desired for early occupation. It is of great importance that the peace and good order of those districts should be effectually secured. Your Committee trust that there will be no difficulty in effecting arrangements as between Her Majesty's Government and the Hudson's Bay Company by which these districts may be ceded to Canada on equitable principles, and within the districts thus annexed to her the authority of the Hudson's Bay Company would of course entirely cease.

8. Your Committee think it best to content themselves with indicating the outlines of such a scheme, leaving it to Her Majesty's Government to consider its details more maturely before the Act of Parliament is prepared, which will probably be necessary to carry it into effect.

9. In case, however, Canada should not be willing at a very early period to undertake the government of the Red River District, it may be proper to consider whether some temporary provision for its administration may not be advisable.

10. Your Committee are of opinion that it will be proper to terminate the connexion of the Hudson's Bay Company with Vancouver's Island as soon as it can conveniently be done, as the best means of favouring the development of the great natural advantages of that important colony. Means should also be provided for the ultimate extension of the colony over any portion of the adjoining continent, to the west of the Rocky Mountains, on which permanent settlement may be found practicable.

11. As to those extensive regions, whether in Rupert's Land or in the Indian Territory, in which, for the present at least, there can be no prospect of permanent settlement, to any extent, by the European race for the purposes of colonisation, the opinion at which Your Committee have arrived is mainly founded on the following considerations: 1°. The great importance to the more peopled portions of British North America that law and order should, as far as possible, be maintained in these territories; 2°. The fatal effects which they believe would infallibly result to the Indian population from a system of open competition in the fur trade, and the consequent introduction of spirits in a far greater degree than is the case at present; and 3°. The probability of the indiscriminate destruction of the more valuable fur-bearing animals in the course of a few years.

12. For these reasons Your Committee are of opinion that whatever may be the validity or otherwise of the rights claimed by the Hudson's Bay Company, under the Charter, it is desirable that they should continue to enjoy the privilege of exclusive trade, which they now possess, except so far as those privileges are limited by the foregoing recommendations.

13. Your Committee have now specified the principal objects which they think it would be desirable to attain. How far the chartered rights claimed by the Hudson's Bay Company may prove an obstacle to their attainment, they are not able, with any certainty, to say. If this difficulty is to be solved by amicable adjustment, such a course will be best promoted by the Government, after communication with the Company, as well as with the Government of Canada, rather than by detailed suggestions emanating from this Committee.

14. Your Committee cannot doubt but that, when such grave interests are at stake, all the parties concerned will approach the subject in a spirit of conciliation and justice, and they therefore indulge a confident hope that the Government will be enabled, in the next Session of Parliament, to present a Bill which shall lay the foundation of an equitable and satisfactory arrangement, in the event, which we consider probable, of legislation being found necessary for that purpose.