

"5. The territory over which the Company now exercise rights is of three descriptions,—

- 1st. The land held by charter, or Rupert's Land.
- 2d. The land held by license, or the Indian Territory.
- 3d. Vancouver's Island.

"6. For the nature of the tenure by which these countries are severally connected with the Company, Your Committee would refer to the evidence they have received, and the documents appended to their Report.

"7. With regard to Rupert's Land, which is held by charter, it appears to Your Committee very desirable to ascertain precisely the character and legality of the powers claimed and exercised under it, and the extent of the country over which these powers are in force.

"8. Numerous allegations and much controversy on these questions have created a serious evil, arising from the impression, both in Canada and in the countries subject to the jurisdiction of the charter itself, that many of its provisions, if not altogether contrary to the laws of England, are of doubtful authority.

"9. The prevalence of such impressions, whether well founded or otherwise, cannot but be prejudicial not only to the authority of the Company, but to the peaceable and orderly government of those living under them; and it appears to Your Committee necessary for the satisfaction and benefit of those concerned, that the question of the validity of powers so anomalous and extensive, should be set at rest by the instrumentality of a competent legal tribunal.

"10. It has, however, been strongly urged upon Your Committee, in the course of their inquiry, that the question of the boundaries between Canada and the Hudson's Bay territories is of the most pressing importance at this moment, and one that should be determined as speedily as possible; but it is obvious that in bringing this to a practical decision, the question of the validity of the charter presents itself as the first to be ascertained. The definition of the limits of Canada must necessarily follow on the determination of what is, or is not, within the jurisdiction of the Hudson's Bay Company.

"11. Pending such an investigation, which Your Committee consider to be the first and indispensable step to any final arrangement, they forbear to express any opinion as to the course which should be ultimately pursued; but, adverting to the willingness expressed by the Company to meet the desire of the Canadian people to obtain land fit for cultivation, and the establishment of agricultural settlers, Your Committee think it right to express their opinion that, in any event, the country capable of settlement should be withdrawn from the jurisdiction of the Hudson's Bay Company, whose objects and interests are admitted to be opposed to colonisation.

"12. Your Committee believe that the districts on the Red River, Saskatchewan, and the Mackenzie, hold out inducements to enterprising individuals, from Canada and from this country, for their early occupation, which ought, by every legitimate means, to be encouraged. The rapid extension of settlement which had been going on in so remarkable a manner to the south of the American boundary line, renders it a matter of great importance to establish within our own territory a counterpoise favourable to British interests, and modeled upon British institutions.

"13. Your Committee would suggest that it be referred to Her Majesty's Government to consider, after conference with Canada and the Company, the best means for drawing the line between those portions of the country which are or are not adapted for settlement; and how the territory susceptible of colonisation, and detached accordingly from the Company's jurisdiction, should be settled and governed under free institutions. We believe that some simple and inexpensive machinery could be devised, by the aid of which those districts, whether ceded to Canada or erected into a separate colony, could be effectively administered.

"14. Your Committee think it best to content themselves with indicating the outlines of such a scheme, leaving it to the Government to consider its details more maturely, before the Bill is prepared which will be necessary to carry it into effect.

"15. Your Committee are of opinion, that it will be proper to terminate the connexion of the 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 island.

"16. Means should also be provided for the extension of the colony over every portion of the adjoining continent on which permanent settlement may be found practicable, to the west of the Rocky Mountains.

"17. As to these 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 by the European race for any purpose except that of the fur-trade, the Committee would recommend that the privilege of exclusive trade should be continued to the Hudson's Bay Company, and that such arrangement should henceforth rest on the basis of statute.