

the security of life and property, and the due performance of international obligations if their boundary is left unsettled, and their title to important parts of their Territory unrecognised. It is probably unnecessary for me to pursue this argument at any length.

I have now to advert to the last question put by Earl Granville,—that relating to the course which the Company would propose to take for the government of their Territory, so long as they remain responsible for it.

The Committee desire me in the first place, to remind his Lordship that they have no authority to give a pledge on the part of the Shareholders of the Company, and that they can only undertake to submit certain proposals to them, and to use their own influence to secure their adoption. Subject to this reservation, the Committee are prepared to enter at once into free communication with Earl Granville, as to the measures which should be adopted for the purpose to which he adverts. As his Lordship is aware, a resolution was agreed to by this Committee, as long ago as in August, 1863, to the effect that in the opinion of the Directors it was expedient that the authority, executive and judicial, over the Red River Settlement and the southwestern portion of Rupert's Land, should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty. In adopting this resolution, the Committee intended to indicate their desire for the establishment of a Crown Colony in this portion of their Territory. They still believe that this would be the most satisfactory plan