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CONFIDENTIAL.

CORRESPONDENCE

RELATING TO

DISTURBANCES AT RED RIVER,

1869-70.

LONDON:

PRINTERS: SIR JOSEPH CAUSTON AND SONS,
47. EASTCHEAP, E.C., AND SOUTHWARK STREET, S.E.

—
1875.



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CORRESPONDENCE

RELATING TO

DISTURBANCES AT RED RIVER, 1869-70.

Downing Street,
6th July, 1870.

Copy.

Sir CURTIS LAMPSON, Bart.

SIR,

I am directed by Earl Granville to transmit to you three printed copies of the Order of Her Majesty in Council, dated the 23rd of June, for uniting Rupert's Land and the North-West Territory to the Dominion of Canada.

Order in
Council.

(Signed) I am, &c.,
FREDERIC ROGERS.

Downing Street,
3rd August, 1870.

Sir CURTIS LAMPSON, Bart.

SIR,

With reference to the correspondence noted in the margin on the subject of the despatch of Stores to the Red River Settlement, and the Claim of the Hudson's Bay Company to indemnity in the event of their suffering loss with respect to these Stores owing to the disturbances in the Settlement, I am directed by the Earl of Kimberley to transmit to you, for the information of the Company, a copy of a Despatch from the Governor-General of Canada enclosing a Minute of the Privy Council, in which they disclaim, on the part of the Dominion, any responsibility for the acts of the self-styled Provisional Government.

Hudson's Bay
Coy., 13th
May, 1870.
C. O. to Gov.,
17th May, 1870.
H. B. Coy.,
20th May, 1870.
C. O. to 26th
May, 1870.
No. 153, July
6th, 1870.

(Signed) I am, &c.,
FREDERIC ROGERS.

Governor-General Sir J. YOUNG to EARL GRANVILLE.

Niagara,
July 6th, 1870.

CANADA.
No. 153.

MY LORD,

I have the honor to forward herewith a Copy of a Minute of the Privy Council, which expresses the views of the Canadian Government on a correspondence transmitted under cover of Your Lordship's Despatch, No. 129, of date May 26th, 1870, on the question of liability for the losses sustained by the Hudson's Bay Company from the acts of the self-styled Provisional Government of the Red River Territory.

July 1st, 1870.

(Signed) I have, &c.,
JOHN YOUNG.

COPY of a REPORT of a COMMITTEE of the Honorable the PRIVY COUNCIL of CANADA, approved by His Excellency the GOVERNOR-GENERAL, July 1st, 1870.

On a Despatch, No. 129, dated 26th May, 1870, from the Right Honorable the Secretary of State for the Colonies, transmitting copies of a correspondence between the Hudson's Bay Company and the Colonial Department as to the liability for the losses sustained by the Hudson's Bay Company from the acts of the self-styled Provisional Government of the Red River Territory.

The Honorable the Minister of Finance, to whom the above despatch was referred, reports that he is of opinion that there is no practical question raised by that correspondence which requires any immediate action on the part of the Government of the Dominion.

That in a letter dated 13th of May, the Governor of the Hudson's Bay Company transmitted to the Colonial Department an extract from a Despatch from Governor McTavish, dated Fort Garry, 6th April, 1870, containing a narration of events which had occurred in the Red River Settlement subsequent to his previous despatch of 12th of February.

After reporting a series of outrages committed by the insurgents, Mr. McTavish proceeds to acquaint the Chairman and Directors of the Hudson's Bay Company, that their position is most critical, and that he cannot advise the Company to send out fresh supplies of Merchandise "until some guarantee shall have been obtained from the English or Canadian Government for their protection."

That in pursuance of the advice given by Governor McTavish, Sir Curtis Lampson, Deputy-Chairman of the Hudson's Bay Company, enquired whether Her Majesty's Government would enter into an engagement to indemnify the Company against loss or damage in case they should send out the Merchandise, which they stated was urgently required. Mr. Holland was instructed by Earl Granville to acquaint Sir Curtis Lampson, that before the arrival of the goods the country would probably have passed to the Canadian Government, and to suggest to him to apply to that Government for an assurance of indemnity in case of loss. Sir Curtis Lampson, in reply, pointed out the impracticability of entering into any negotiation with the Canadian Government under the circumstances, and added that the Hudson's Bay Company had determined to despatch their Stores as usual. He further expressed the adherence of the Company to their opinion, that the Imperial Government ought to have undertaken the responsibility, and added that in case of damage or loss occurring, they would look for indemnity to Her Majesty's Government should the Canadian Government decline to take it upon themselves. Sir Frederic Rogers was instructed to acquaint Sir Curtis Lampson in reply, that Her Majesty's Government do not accept the liability. Earl Granville's Despatch to your Excellency bears the same date as Sir Frederic Rogers' letter, so that it is not improbable that there may be some further remonstrance on the subject from the Hudson's Bay Company. It is, however, clear that Her Majesty's Government have determined not to assume any liability for future losses on the part of the Hudson's Bay Company; that in the present state of affairs at the Red River, he, the Minister of Finance, is of opinion that it would be inexpedient for the Canadian Government to assume the liability demanded by the Hudson's Bay Company; but he thinks it highly improbable that the Company will be exposed in the future to the acts of rapine and plunder to which they have been recently subjected.

The Minister of Finance states that he would have been inclined to close his remarks here but for some observations in the letter of Sir Curtis Lampson, dated 13th May, which, in his opinion, ought not to be allowed to pass unnoticed. Sir Curtis Lampson states in that letter that he deems it "of the utmost importance" that Her Majesty's Government should be made acquainted with the results which are arising from the proceedings adopted by the Government of Canada, and which alone have led to the formation of the so-called Provisional Government. He then proceeds to state that "the Committee abstain from entering at this moment into the general question of the proceedings taken by the Canadian Government, or into the question as to who is to be held responsible for the damages and injuries they will have produced."

The Minister of Finance does not feel called upon to enter into a defence of the Canadian Government against such vague accusations as those which he has cited from the letter of Sir Curtis Lampson, but that as there can be no doubt that "damage and injuries" have been sustained, not only by the Hudson's Bay Company, but by a considerable number of Her Majesty's subjects in the Red River Territory, and that claims will be hereafter presented for such damages and injuries, it may be proper to take the present opportunity of disclaiming, on the part of the Government of the Dominion, any responsibility for the acts of the self-styled Provisional Government of the Red River Territory.

The Committee concur in the Report of the Honorable the Minister of Finance, and advise accordingly.

Certified,

(Signed) WM. H. LEE,
Clerk, Privy Council, Canada.

Hudson's Bay House,
August 9th, 1870.

Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

I have the honor to acknowledge the receipt of your letter of 3rd instant, transmitting for the information of the Committee of the Hudson's Bay Company, a Despatch from the Governor-

General of Canada, inclosing a Minute of the Privy Council of the Dominion, on the question of liability for losses sustained by the Company from the acts of the self-styled Provisional Government of the Red River Territory.

The Committee have not yet received an account of the losses which the Company have sustained by the plunder of their Stores at Fort Garry, and otherwise by the action of the insurgents, and they therefore consider that the time has not yet arrived for presenting any claim for compensation in respect thereof. When they are in possession of the information which they are expecting, they will present their claim to Her Majesty's Government, and will, at the same time, state the grounds on which they make it.

I have, &c.,
(Signed) STAFFORD H. NORTHCOTE,
Governor.

Hudson's Bay House,
London, 1st November, 1870.

Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

I am instructed by the Committee of the Hudson's Bay Company to request that you will submit to the Earl of Kimberley, that the time appears now to have arrived for the consideration of the Company's claim for compensation in respect of the losses sustained by them in the course of the disturbances at the Red River, now happily at an end.

The Committee do not think it necessary to trouble his Lordship with a recapitulation of the lengthened correspondence which led to the arrangements for the transfer of the Company's territorial rights to the Dominion Government, or of the circumstances under which the completion of those arrangements was arrested at the very moment when they were about to take effect. Neither do they now desire to enter on the question how far the disturbances which led to the suspension of the transfer were due to the action of the Dominion Government or its representatives; nor on the further question, how far that suspension was, under the circumstances of the time, justifiable. It is sufficient for them to point out, as a matter of fact, that the Company have in consequence of it sustained very heavy pecuniary loss, and to submit to Lord Kimberley that they have a fair right to ask Her Majesty's Government to take the proper steps for getting that loss made up to them.

The losses which the Company have sustained are of various kinds. In the first place, they were kept out of the purchase-money, which it had been stipulated that they should receive, for more than five months. The inconvenience occasioned by this delay was much greater than the mere loss of the interest of the money. The Government having officially informed the Committee that the money would be paid on the 1st of December, the Committee communicated that information to the Shareholders at the Annual Meeting of the Company on the 9th of November, when arrangements were made on the faith of this announcement which had afterwards to be disturbed to the inconvenience of individual Shareholders, and somewhat to the discredit of the Company.

Secondly, the Company were injured by the plunder of their Stores and Goods at Fort Garry. This loss was sustained by them in consequence of the absence of any proper authority in the Settlement, from the time when the government of the Company was virtually put an end to by Mr. Macdougall's proclamations of the 1st and 2nd December, 1869. The persons actually in power, calling themselves the Provisional Government, drew largely upon the Company's stores, of which they had taken forcible possession, and which they are said to have claimed as public property, besides seizing and putting to ransom a great quantity of valuable furs, admittedly the private property of the Company. The amount of ransom demanded and paid is stated at £5,000 in cash, and goods to the amount of £4,000. The Committee have not yet learnt whether the whole of the furs seized have been returned, or whether a further loss has been sustained; and they are not yet able to state the amount of the goods taken out of the storehouses. They expect shortly to receive information on these heads.

Lastly, there can be no doubt that the Company have sustained very heavy loss by the disorganisation of their trade, and the interruption of business throughout the country, in consequence of these disturbances. They found no claim on this loss, but think it right to refer to it as strengthening the equity of their case.

The Committee abstain from entering upon the question of the source from which the compensation they ask for should come. They think that it is a question more properly left to Her Majesty's Government, through whom these communications have from the first been carried on. They content themselves with submitting their case to Lord Kimberley, and with indicating the amount of the compensation to which they consider the Company to be entitled. They ask for interest at £5 per cent. on the purchase-money (£300,000), from the 1st of December, 1869, to the 11th May, 1870, the day on which the principal was paid. They ask to be reimbursed the amount exacted from them as ransom for their stock of furs, together with the value of any furs which may be proved to have been carried off. And, with regard to the pillage of their stores, they ask that a commission may be appointed to inquire into the amount of loss sustained, and to determine on equitable principles the amount of compensation which should be paid in respect of it.

They trust that Her Majesty's Government will assist them to obtain an early settlement of these claims.

I have, &c.,
(Signed) STAFFORD H. NORTHCOTE,
Governor.

Downing Street,
21st November, 1870.

The Right Hon. Sir STAFFORD H. NORTHCOTE, Bart.

SIR,

I am directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 1st inst., bringing under consideration the claims of the Hudson's Bay Company to compensation for losses caused by the recent disturbances at the Red River Settlement.

As the Committee state that they abstain from entering upon the question of the source from which this compensation should come, and that they think this is a question more properly left to Her Majesty's Government, it is necessary briefly to recall your attention to the position occupied by Her Majesty's Government in relation to the transfer of the Company's Territories to Canada.

30 Nov., C. 3

By the British North America Act, 1867, section 146, Her Majesty was empowered by Order in Council to admit Rupert's Land into the Union on such terms and conditions as were expressed in Addresses from the Canadian Parliament, and as Her Majesty should think fit to approve.

But though by this Act and the Rupert's Land Act, 1868, Her Majesty was empowered to complete the formal transfer of Rupert's Land to the Dominion, Her Majesty was advised that her approval could be properly given to such terms and conditions only as were agreed upon between the two real parties to the negotiation, viz. :—the Canadian Parliament and the Hudson's Bay Company. Her Majesty's Government therefore confined their action to the suggestion of such terms as they thought might be acceptable to both parties. Lord Kimberley desires me to refer you to two letters addressed by the direction of Lord Granville to the Governor of the Hudson's Bay Company on the 22nd of February and 9th of March, 1869, in which the position of Her Majesty's Government in respect to these negotiations is carefully defined. It was a source of great gratification to Her Majesty's Government when the terms of arrangement proposed by Lord Granville in the last of these two letters were, with some slight changes adopted both by the Canadian Government and the Hudson's Bay Company. Her Majesty's Government were in no way responsible for the unfortunate disturbances in the Red River Settlement which occasioned the delay of the actual surrender and transfer of the Company's Territory; and they readily lent their aid towards the restoration of order in the disturbed district.

Lord Kimberley therefore desires me to say that he cannot admit any liability on the part of Her Majesty's Government to make good the losses of the Hudson's Bay Company. If the Company consider that they have claims against Canada, they must represent their case to the Canadian Government; but Her Majesty's Government do not feel called upon to interfere in respect of such claims.

A copy of your letter and of this answer will be transmitted to the Governor-General of Canada.

I am, &c.,

(Signed)

H. T. HOLLAND.

Hudson's Bay House,

London, 29th November, 1870.

Sir FREDERIC ROGERS, Bart., &c., &c., Colonial Office.

SIR,

I am directed by the Committee of the Hudson's Bay Company to acknowledge the receipt of Mr. Holland's letter of the 21st November, informing me that the Earl of Kimberley cannot admit any liability on the part of Her Majesty's Government to make good the losses sustained by the Company, and that the Government do not feel called upon to interfere in respect of any claim which the Company may consider themselves to have against the Government of Canada.

In reply I am desired respectfully to point out to Lord Kimberley that the losses in respect of which the claim is preferred were occasioned by the non-fulfilment of a contract entered into by the Company at the suggestion, and in a great measure on the strong representations of Her Majesty's Government; that the terms of that Contract were in the first instance proposed, and were subsequently approved, by his Lordship's predecessor, Earl Granville; that the time at which the transfer of the Company's rights and property should take place was fixed by the Canadian Government, and was communicated to this Committee by Her Majesty's Government; that the acceptance by Her Majesty of the surrender of the Company's rights was a necessary condition of the completion of the Contract; that the form of the surrender was duly settled in communication with the Colonial Office; that the Seal of the Company was duly affixed to it; that the Surrender itself was tendered for Her Majesty's acceptance at the appointed time; and that it was only upon Lord Granville's declining to advise that acceptance that the execution of the Contract was suspended.

I am further to remind you that, on more than one occasion after the difficulties at the Red River had arisen, this Committee urged upon Her Majesty's Government the importance of accepting the surrender, and that the Government, in the exercise of their discretion, declined to do so. I would especially refer you to my letters of the 28th December, 1869, and of the 21st January in the present year, and to your own letter of the 8th January, in which you inform me that Lord Granville had learnt from the Law Officers of the Crown that it would be competent to

Her Majesty's Government to complete the transfer by accepting the surrender of the Company and issuing the requisite Order in Council, but that, for reasons mentioned in the letters, his Lordship was of opinion that a short delay in the completion of the contract was advisable. The Committee, as you will perceive by my letter of the 21st January, did not assent to the opinion thus expressed, but they were of course unable to enforce the acceptance of the surrender in the face of Lord Granville's decision.

The Committee refer to this correspondence, not for the purpose of re-opening the discussion as to the course which ought at that time to have been pursued, but simply to show to Lord Kimberley that the action of Her Majesty's Government was far more than formal, and that it was they in fact who took upon themselves the responsibility of stopping the transfer, and thereby, as the Committee contend, prolonging the interregnum of authority in the Settlement, and exposing the Company and other private persons to additional losses.

It may well be that the considerations which determined Lord Granville's policy were sufficient to outweigh the damage occasioned to the Company; but that policy was at all events pursued by Lord Granville's own discretion, and not in accordance with, but in opposition to, the suggestions made by this Committee. The Committee therefore trust that the Earl of Kimberley will reconsider the decision announced in Mr Holland's letter, and will consent to deal with the claim put forward in my letter of the 1st instant on its merits; and that, if his Lordship should be of opinion that the claim should be preferred against the Canadian and not the British Government, he will at least afford the Company the benefit of his moral support in their endeavour to procure redress for the non-execution of a contract entered into under the influence of his predecessor.

I am to remind you in conclusion, that the equitable character of one part at least of the claim which I have had the honor to submit to Lord Kimberley was recognised by Lord Granville in your letter of the 26th January.

I have, &c.,
(Signed) STAFFORD H. NORTHCOTE.

Hudson's Bay House,
London, 29th November, 1870.

The Honorable JOSEPH HOWE.

SIR,

I am instructed by the Committee of the Hudson's Bay Company to address you on the subject of the representations which the Committee have recently made to Her Majesty's Government with respect to the loss and damage which the Company have sustained in consequence of the late disturbances at Fort Garry, and the delay which took place in the completion of the transfer of their territorial rights to the Dominion.

It appeared to this Committee that inasmuch as the communications connected with the transfer of the North-West Territory had all been carried on through the Colonial Office, it would be most proper for them to forward their present claim through the same channel, leaving it for Her Majesty's Government and the Government of Canada to decide in what manner the claim should be investigated, and by whom it should be met. The Earl of Kimberley has, however, expressed his desire that I should address myself to the Government of the Dominion, which is the occasion of my now communicating with yourself.

As Lord Kimberley states that he has already forwarded to the Canadian Government a copy of my letter of the 1st instant, in which the nature of the Company's claim is set forth, it is unnecessary that I should take up your time by recapitulating it. I have only to say that since it was written, the Committee have satisfied themselves that the Stocks of Furs, seized by the so-called Provisional Government, and afterwards put by them to ransom, have been restored intact. The Company's claims are therefore limited to the amount of the interest on the purchase-money, the ransom paid in money and in goods for their stock of furs, the damage done to buildings, and the amount of stores taken out of their storehouses, which they have proposed to leave to be ascertained by Commissioners.

The Committee trust that you will kindly bring this matter under the consideration of the Dominion Government. They have sent a copy of the correspondence to Mr. Cyril Graham, and have instructed him to seek an interview with you, in case of your thinking a personal conversation desirable.

I have, &c.,
(Signed) STAFFORD H. NORTHCOTE.

No. 639.

Ottawa, 16th December, 1870.

Sir STAFFORD NORTHCOTE, &c., &c., &c.

SIR,

No. 536.

I have the honor to acknowledge the receipt of your letter of the 29th ultimo, on the subject of the representations made by the Committee of the Hudson's Bay Company to Her Majesty's Government, with respect to the loss and damage which the Company allege they have sustained in consequence of the late disturbances at Fort Garry, and the delay which took place in the completion of the transfer to the Dominion of the territorial rights of the Company.

I have, &c.,

(Signed) JOSEPH HOWE, Secretary of State.

Downing Street,

17th December, 1870.

The Right Honorable Sir STAFFORD H. NORTHCOTE, Bart., &c., &c., &c., &c.

SIR,

I am directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 29th of November, in which you urge a reconsideration of the decision conveyed to you in the letter from this department of the 21st ultimo, respecting the claims of the Hudson's Bay Company to compensation for losses caused by the recent disturbances at the Red River Settlement, and request that, if His Lordship should be of opinion that their claim should be preferred against the Canadian and not the Imperial Government, he would at least afford the Company the benefit of his moral support.

Lord Kimberley desires me to inform you, in reply, that after giving an attentive consideration to the arguments urged by the Committee of the Hudson's Bay Company, he sees no reason to depart from the decision arrived at with regard to the claim of the Company to compensation, and he must again disclaim any liability on the part of Her Majesty's Government for the losses alleged to have been sustained by them.

If the Company, however, are desirous that Lord Kimberley should inform the Canadian Government that in his opinion the question might properly be settled by payment of the interest on the purchase-money from the 1st of December, 1869, to the date of the actual payment of the money, the Company relinquishing all claim to further compensation, his Lordship will be ready to do so.

I am, &c.,

(Signed) FREDERIC ROGERS.

Hudson's Bay House,

London, February 22nd, 1871.

Sir FREDERIC ROGERS, Bart., &c., &c., &c., Colonial Office.

SIR,

With reference to the correspondence which has passed on the subject of the claims of the Hudson's Bay Company for compensation in respect of the losses sustained by them in the course of the recent disturbances at Red River Settlement, and the interview that the Governor and Deputy-Governor had the honor to have with the Earl of Kimberley, I have to state, for the information of His Lordship, that in the month of November last the Committee brought the subject under the notice of the Canadian Government, who replied by a simple acknowledgment of the communication.

The sitting of the Dominion Parliament at the present moment appears to the Committee to afford an opportunity for the amicable settlement of all matters arising out of the disturbances to which I have referred; and, as the Earl of Kimberley has not hitherto recognised the claim on the part of the Company against Her Majesty's Government, the Committee venture to request that His Lordship may be pleased to recommend to the favourable consideration of the Dominion Government, the claims put forward by the Hudson's Bay Company for reimbursement of their losses, the exact amount of which has not yet been ascertained.

In making this request, the Committee feel that the Company are entitled, under the circumstances of the case, to fair and liberal compensation. They are strengthened in this opinion by the correspondence which was presented to Parliament in August last, and they take the liberty of referring to Earl Granville's Despatches to the Governor-General of Canada, dated 30th November, 1869, and 26th January, 1870, in which the following passages occur:—

“ 9. Throughout these negotiations (the negotiations for the surrender of the Company's rights), it has never been hinted that the Company is to be bound to hand over its Territory in a state of tranquillity. Rather its inability to secure that tranquillity, and the dangers resulting from that inability to the neighbouring Colony, is taken for granted why its responsibility should be adopted by Canada.”

And again:—

“ These proceedings (the proceedings of Mr. McDougall and Colonel Dennis) do not render Her Majesty's Government less desirous of restoring tranquillity under the authority of the Dominion. But they have certainly enhanced the responsibility of the Canadian

“ Government, and added to the complications which I was afraid might arise from the delay
 “ in completing the surrender of Rupert's Land to the Dominion. * * * I am bound
 “ to state my opinion that, considering all that has passed, the claim of the Company to
 “ interest on the purchase-money of their Territory from the 1st of last month (December),
 “ appears to be a reasonable one.”

In conclusion, I am to express the hope of the Committee that Earl Kimberley will afford the Company the benefit of his influence in their endeavour to obtain not only the interest on the purchase-money, but the amount exacted from them as ransom for their stock of Furs that were seized by the Provisional Government during the rebellion, and compensation for the pillage of their stores.

I have, &c.

(Signed)

C. M. LAMPSON,
Deputy-Governor.

Downing Street,
24th February, 1871.

Sir CURTIS LAMPSON.

SIR,

I am directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 22nd inst., urging the claim of the Hudson's Bay Company to compensation for the losses sustained by them in consequence of the late disturbances at the Red River Settlement.

Lord Kimberley has forwarded a copy of your letter to the Governor-General of Canada for communication to his Ministers, and in doing so his Lordship has stated that he does not doubt that the Canadian Government will give a fair consideration to any reasonable claim on the part of the Company to compensation for their losses, which would fall not only on the shareholders at home, but also on the Company's servants in America; and he has pointed out to the Governor the importance of preserving the goodwill of a body of men who, from their intimate acquaintance with the knowledge of the country recently annexed to the Dominion, and their connection with its inhabitants, must still retain a special influence over its affairs.

I am, &c.,

(Signed)

ROBERT G. W. HERBERT.

Hudson's Bay House,

London, February 28th, 1871.

Sir FREDERIC ROGERS, Bart., &c., &c., &c., Colonial Office.

SIR,

I have the honor to acknowledge the receipt of Mr. Herbert's letter of the 24th inst., in reference to the claims of the Hudson's Bay Company to compensation for the losses sustained by them in consequence of the late disturbances at Red River Settlement, and I have to request that you will have the goodness to convey to the Earl of Kimberley the thanks of the Committee for the communication.

I have, &c.,

(Signed)

C. M. LAMPSON,
Deputy-Governor.

Downing Street,
12th May, 1871.

Copy.

SIR,

In my letter of the 24th of February last you were informed that Lord Kimberley had forwarded to the Governor-General of Canada, for communication to his Ministers, a copy of your letter of the 22nd of that month, urging the claim of the Hudson's Bay Company to compensation for the losses sustained by them in consequence of the late disturbances at the Red River Settlement.

Lord Kimberley now desires me to enclose for the information of the Company a copy of the reply which has been received from Lord Lisgar, in which he forwards a report of the Privy Council of the Dominion on this matter.

With regard to the statement of the Council, that the Canadian Government would undertake to settle the Company's claim to interest on the purchase-money from the 1st of December 1869, to the actual date of payment of the money, provided the Imperial Government would satisfy the

further claims of the Company, Lord Kimberley desires me to refer you to my letter of the 21st of November last, from which the Company are aware that Her Majesty's Government cannot acknowledge any liability on their part to make good the losses of the Company.

I am, Sir,

Your most obedient Servant,

(Signed) H. T. HOLLAND.

Sir C. M. LAMPSON, Bart.,
&c., &c., &c.

Copy.

Lord LISGAR to the EARL of KIMBERLEY.

Government House,
Ottawa, April 20th, 1871.

CANADA.
No. 88.

19th April,
1871.

MY LORD,

I have the honor to forward herewith a copy of a Report of the Privy Council of the Dominion with reference to the claims of the Hudson's Bay Company to compensation for losses sustained in consequence of the recent disturbances in the Red River Settlement.

2. The Council state that, "while far from admitting the justice of the claim for interest from 1st December, 1869, to the date of payment, they would undertake to make good that part of the "claim," provided that the Imperial Government will undertake to satisfy the claim for the other losses sustained by the Company.

I have, &c.

(Signed)

LISGAR.

The Right Honorable the EARL of KIMBERLEY,
&c., &c., &c.

COPY of a REPORT of a COMMITTEE of the Honorable the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL on the 19th of April, 1871.

No. 360.

The Committee of the Privy Council have had under their consideration the Earl of Kimberley's Despatch to your Excellency, dated the 23rd February, transmitting the copy of a letter from Sir Curtis Lampson, Deputy-Governor of the Hudson's Bay Company, to Sir Frederic Rogers, urging the claim of the Company to compensation for the losses sustained by them in the Red River Settlement, and requesting that your Excellency would bring the letter of Sir C. Lampson under the notice of your Government.

The Earl of Kimberley observes that he entertains no doubt that your Excellency's advisers will give a fair consideration to any reasonable claim on the part of the Company to compensation for their losses, and adds that, apart from the question of justice, the Canadian Government cannot fail to perceive the importance of preserving the goodwill of a body of men who are scattered over the whole of the Territory newly annexed to the Dominion, and who, from their intimate knowledge of the country and connection with its inhabitants, must retain a special influence over its affairs.

The Committee of the Privy Council readily admit that it is most desirable to cultivate the goodwill of the Hudson's Bay Company, and of its officers and servants in the North-West Territory; and they have on all occasions evinced a desire to comply with all reasonable demands made by the Company.

Before entering upon the consideration of Sir Curtis Lampson's letter, the Committee of the Privy Council must observe that, apart from the merits of the Hudson's Bay Company's claim, the Government of Canada would have no means of satisfying it without a vote from the Dominion Parliament; and in the present state of public opinion there would not be the most remote probability that such a vote would be concurred in by the Canadian House of Commons.

The Committee of the Privy Council observe that the Hudson's Bay Company rely on Lord Granville's Despatches of 30th November, 1869, and 26th January, 1870, as evidence that, in His Lordship's opinion, their claim was well founded. Earl Granville states—"It has never been hinted that the Company is to be bound to hand over its Territory in a state of tranquillity."

This opinion is at variance with that expressed in the Minute of Council of the 16th of December, 1869; but, even if correct, it might be contended on the other hand that when the Government of the Dominion, on the urgent recommendation of Her Majesty's Imperial Govern-

ment, consented to pay £300,000 sterling to the Company, no idea was entertained that it would be necessary to send a military expedition, at a great cost, to obtain peaceable possession of that territory.

A very general belief prevailed throughout the Dominion that the responsible Agents of the Hudson's Bay Company failed to make any effort to preserve their authority. Fort Garry, it is contended, could easily have been defended, and an appeal to the loyal inhabitants in the incipient stage of the insurrection would have insured tranquillity.

It may be urged that even though Mr. MacDougall acted with precipitation, he was led to do so owing to what he held to be the inertness of the Governor of the Hudson's Bay Company.

There is a wide-spread feeling in Canada, both in and out of Parliament, that the Hudson's Bay Company are chiefly responsible for the success of the insurgents in the Red River Settlement in 1869-70, and so long as this feeling remains unchanged, it would be useless for the Government of the Dominion to submit to Parliament any claim for compensation on the part of the Company. It must, moreover, be borne in mind that large claims have been made on the part of the loyal inhabitants who were imprisoned and expatriated during the ascendancy of the insurgents.

Although the opinion prevails very extensively in Canada that these losses should be satisfied by the Imperial Government or by the Hudson's Bay Company, on the ground that Canada had not then acquired the territory, the Dominion Government has undertaken to defray these losses.

The Committee of the Privy Council are of opinion that, under all the circumstances of this case, and considering the large share of the cost of the Expedition which they were required to bear, they may fairly call on the Imperial Government, which seems to admit the validity of the Hudson's Bay Company's claim, to satisfy it. In that case, while far from admitting the justice of the claim for interest from the 1st of December, 1869, to the date of payment, the Committee of Council would undertake to make good that part of the claim.

Certified,
(Signed) W^m. H. LEE,
Clerk, Privy Council, Canada.

Hudson's Bay House,
London, 23rd December, 1873.

SIR,

I am desired by the Committee of the Hudson's Bay Company to request that you will allow them to recall the attention of the Dominion Government to the correspondence which has already taken place between this Company, the Secretary of State for the Colonies, and the Government of Canada, on the subject of the claim put forward by the Company for compensation in respect of the losses sustained by them in the disturbances which took place at the Red River in 1869.

In my letter to the Colonial Office of the 1st November, 1870, a copy of which was transmitted by Lord Kimberley to the Government of Canada, I stated on behalf of this Committee that we considered the Company entitled, first, to interest at £5 per cent. on the purchase-money (£300,000) from the 1st December, 1869, the day on which we had received official information that it would be paid, to the 11th May, 1870, the day on which it actually was paid; secondly, to the amount exacted from the Company by the insurgents as ransom for their stock of furs, together with the value of any furs that might be proved to have been carried off; and thirdly, for such compensation for the pillage of their stores as might be found by an independent commission to be justly due to them.

The Privy Council of Canada, in a Report agreed to on the 19th April, 1871, expressed their willingness, in the event of Her Majesty's Government undertaking to satisfy the other portions of the Company's claim, to undertake to make good the interest on the purchase-money. Her Majesty's Government have, however, declined to admit any Imperial responsibility, and the Committee are therefore forced once more to draw the attention of the Dominion Government to their claims.

The Committee estimate the amount of the Company's losses, exclusive of the claim for interest, at £30,000. I enclose a statement, drawn up in October, 1870, and founded on information communicated to us by our Chief Commissioner.

I have the honor to be, Sir,

Your most obedient Servant,

STAFFORD H. NORTHCOTE,

Governor.

To the Secretary of State for the Provinces.

STATEMENT of LOSS and DAMAGE sustained by the HUDSON'S BAY COMPANY at Red River, in consequence of the occupation of Fort Garry by the French Half-breeds, 1869-1870.

	£	s.	d.	£	s.	d.
Actual loss on the Red River District Outfit, 1869				19,729	8	9
Amount of Goods taken from Red River District Outfit, 1870, ⁷⁰ _{SR} ..	635	14	8			
Amount of Goods taken from Athabasca District Outfit, 1870, ⁷⁰ _{IBC} ..	22	1	0			
Amount of Goods taken from Saskatchewan District Outfit, 1870, ⁷⁰ _{IBC}	667	6	6			
Amount of Goods taken from Athabasca District Outfit, 1871, ⁷¹ _{IBC} ..	339	7	8			
Amount of Government Stores, property of the Hudson's Bay Company, not included in Red River Inventory, 1st June, 1869	450	0	0			
Amount of Ransom to Provisional Government	5,000	0	0			
Amount of Provisions to ditto	4,164	9	10			
Estimated damage to Buildings, Houses, Furniture, &c.	1,500	0	0			
				12,778	19	8
				32,508	8	5

E. E.
Fort Garry,
October, 1870.

Hudson's Bay House,
London, October 20th, 1874.

SIR,

The Governor and Committee of the Hudson's Bay Company desire to bring under your notice the claims of the Company against the Government of Canada, for losses sustained in 1869-70. They have purposely refrained from urging these demands of late on the Canadian Government, partly because they were unwilling to trouble the present Ministers immediately on their accession to office, when they might be occupied by a large amount of other pressing business; but mainly because the Committee wished to allow the investigation conducted by a Committee of the Canadian House of Commons respecting the Red River troubles, to precede the consideration of the Company's claims by your Government.

The Committee felt that an impartial enquiry could not fail to satisfy the Government and Parliament of Canada that the Hudson's Bay Company and their Officers had not only been innocent sufferers, and that throughout the troubles they had given their best assistance to preserve order, and restore the legitimate authority of the Government, but that on all occasions since, they had evinced a cordial promptitude in performing every service in their power to aid the operations of the Government for the completion of the communications between Canada and the interior of the country. It has been the desire of the Committee to place all their available means and the service of the Company's officers, servants, and establishments, in so far as they could properly do so, at the disposal of the Canadian Government, not only when required to further the material development of the country, but in preserving order and giving renewed confidence (which past events may have somewhat tended to weaken) among the Indian tribes.

The Committee were anxious that I should advert to these topics, because they felt that, if anything has occurred, either previous to or since the policy of incorporating the Company's Territory with Canada was decided, from which inference of conduct different from what I have expressed could be drawn, such occurrences have been wholly without warrant, either from them or their principal representatives in North America, and in direct opposition to the principles by which they desire to be governed.

It is unnecessary for me to trouble you in this communication by enumerating the exact details of the claims of this Company, or with a recapitulation of the reasons which have always impressed upon the minds of the Committee the conviction that justice, and that sense of right which they are persuaded animates your Government, would lead to a recognition and settlement of them.

I will content myself with referring you, for a summary of the claims, to a letter from my predecessor, Sir Stafford Northcote, dated the 23rd December, 1873, and addressed by him to the Secretary of State for the Provinces, which will be delivered to you with this communication. Mr. Donald Smith had received instructions that this letter, for the reasons I have already assigned, should be temporarily withheld, but I now trust that the consideration of the case may engage the early attention of the Government.

The Committee will be happy to give any proof or supply any further information which may be needed. They believe, however, that the Government of Canada fully recognise the fact of the losses, and I have every confidence that the justice of granting indemnity will meet with no less ready recognition at your hands.

I have, &c.,
(Signed) GEORGE J. GOSCHEN,
Governor.

The Secretary of State for Canada, Ottawa.

Fort Garry, Manitoba,
November 18th, 1874.

SIR,

By direction of the Governor and Committee of the Hudson's Bay Company, I have the honour of transmitting to you herewith a letter, dated 23rd December, 1873, from Sir Stafford H. Northcote, accompanied by a statement of losses sustained by the Company during the insurrection at Red River in 1869-70, and a letter of the 20th October last from the Right Honorable George G. Goschen, the present Governor of the Company, having reference to the same subject.

In placing these papers before the Canadian Government, I deem it unnecessary to advance any further in support of the claims made for compensation to the Company and their Officers than that, as both were innocent sufferers, they must, in justice, be held not less entitled to compensation for these losses, which arose from circumstances they were wholly unable to control, than were those individuals to whom the Canadian Government have already granted indemnity—in one instance at least to an extent in proportion to the actual loss suffered—far beyond that to which the Company lay claim.

In the preparation of the Statement accompanying Sir Stafford Northcote's letter the greatest care was taken not to include any item the correctness of which could be questioned; the value put on the property seized by the insurgents being based, not on what the goods were actually worth to the Company as articles of trade, but on the net invoice and inventory prices.

Had it been the desire of the Hudson's Bay Company to put forward a demand for compensation in any wise approaching in extent the injury to which they were subjected in consequence of their stores being seized and their business interrupted, it would not have been difficult to prove that it could not be met by a sum many times greater than that now claimed.

May I beg the favour of a reply addressed to me at Montreal, where I expect to be in a few days?

I have the honour to be, Sir,

Your most obedient Servant.

(Signed) DONALD A. SMITH.

The Honorable the Secretary of State, Ottawa.
