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# HUDSON'S BAY COMPANY.

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## LETTER

FROM THE

COLONIAL OFFICE

TO THE

GOVERNOR OF THE HUDSON'S BAY COMPANY.

*Dated March 9th, 1869.*

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DOWNING STREET,

9th March, 1869.

SIR STAFFORD NORTHCOTE, Bart.,

&c.,        &c.

SIR,

Earl Granville has had under review the correspondence which has passed respecting the proposed transfer to Canada of the jurisdiction and territorial rights of the Hudson's Bay Company in North America.

It is, in Lord Granville's opinion, of very great importance that this question should be settled on a permanent footing, and with little delay. He does not disguise the interest which Her Majesty's Government have in this settlement. It is not creditable to this Country, that any inhabited part of Her Majesty's dominions should be without a recognised Government capable of enforcing the law, and responsible to neighbouring countries for the performance of international obligations. The toleration of such a state of things in parts of the Hudson's Bay territory is unjust to the inhabitants of that territory, and is not without danger to the peaceful relations between this country and the United States. And this danger and injustice are likely to increase, in proportion, as the Mining and Agricultural capabilities of what is called the "Fertile Belt" begin to attract settlers from the East and South.

To Canada, the settlement of the question is not less important, as removing a cause of irritation between it and its neighbours, and even with the mother country itself, as destroying an obstacle to that which has been looked upon as the natural growth of the dominion, as likely to open an indefinite prospect of employment to Canadian labour and enterprise; and lastly, as enlarging the enducements which Canada is able to offer to the British immigrant. It is no small matter that it would enable Her Majesty's Government at once to annex to the dominion the whole of British North America proper, except the colony of British Columbia.

To the Hudson's Bay Company it may almost be said to be necessary.

At present the very foundations of the Company's title are not undisputed. The boundaries to its territory are open to questions, of which it is impossible to ignore the importance. Its legal rights, whatever those may be, are liable to be invaded without law by a mass of Canadian and American settlers, whose occupation of the country on any terms they will be little able to resist; while it can hardly be alleged that either the terms of the Charter, or their internal Constitution, are such as to qualify them under all these disadvantages for maintaining order and performing the internal and external duties of Government.

The prejudicial effect that all these uncertainties must have on the value of the Company's property, is but too evident.

The interests of all parties thus evidently pointing towards an immediate and definite adjustment, Lord Granville has been most unwilling to abandon the hope of bringing it about by way of amicable compromise. He is fully alive to the difficulties of such a compromise. He does not conceal from himself that the estimate which the Company form of the nature and value of their rights is widely different from that which is formed by the gentlemen who represent Canada. Nor can he undertake to express any opinion whatever as to the relative correctness of those estimates. Indeed, it would be impossible to do so, without knowing to what extent the claims of the Company would be supported by the judgment of a Court of Law.

But, after repeated communications with both parties, his Lordship is convinced that he will be serving the interests of the dominion, of the Company, and of this country, by laying before the Canadian Representatives and the Directors of the Company a distinct proposal, which, as it appears to be, it is for the interest of both parties to accept, and in support of which Her Majesty's Government would be prepared to use all the influence which they could legitimately exercise.

If the proposal is really an impartial one, Lord Granville cannot expect that it will be otherwise than unacceptable to both of the parties concerned. But he is not without hope that both may find, on consideration, that, if it does not give them all that they conceive to be their due, it secures to them what is politically or commercially necessary, and places them at once in a position of greater

advantage with reference to their peculiar objects than that which they at present occupy.

The terms which his Lordship now proposes, are as follows:—

### I.

The Hudson's Bay Company to surrender to Her Majesty all the rights of Government, property, &c., in Rupert's Land, which are specified in the 31 and 32 Vict., c. 105, sec. 4; and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.

### II.

Canada is to pay to the Company £300,000 when Rupert's Land is transferred to the dominion of Canada.

### III.

The Company may, within twelve months of the surrender, select a block of land adjoining each of its stations within the limits specified in Article I.

### IV.

The size of the blocks is not to exceed \_\_\_\_\_ acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

### V.

So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

## VI.

The Hudson's Bay Company, may, for fifty years after the surrender, claim in any township or district within the fertile belt, in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out. The blocks so granted to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses, not exceeding an acre.

## VII.

For the purpose of the present agreement, the fertile belt is to be bounded as follows:—On the south by the United States boundary, on the west by the Rocky Mountains, on the north by the northern branch of the Saskatchewan, on the east by Lake Winnepeg, the Lake of the Woods, and the waters connecting them.

## VIII.

All titles to land up to the 8th March, 1869, conferred by the Company, are to be confirmed.

## IX.

The Company is to be at liberty to carry on its trade without hindrance, in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any import duty on goods introduced by them previous to the surrender.

## X.

Canada is to take over the materials of the Electric Telegraph at cost price, such price including transport,



but not including interest for money, and subject to a deduction for ascertained deterioration.

### XI.

The Company's claim to land under agreement of Messrs. Vankoughnet and Hopkins to be withdrawn.

### XII.

The details of this arrangement, including the filling-up the blanks in Articles 4 and 6, to be settled at once by mutual agreement.

It is due both to the representatives of Canada and to the Company to add that these terms are not intended by Lord Granville as the basis of further negotiation, but a final effort to effect that amicable accommodation of which he has almost despaired, but which he believes will be for the ultimate interest of all parties.

If this be rejected either on behalf of the Company or on behalf of the dominion, his Lordship considers that his next step must be to procure an authoritative decision as to the rights of the Crown and the Company, and with this object he will recommend her Majesty to refer their rights for examination to the Judicial Committee of the Privy Council, whose decisions will form a basis for any future legislation or executive action which her Majesty's Government may find necessary.

Whatever may be the result of this proposal, his Lordship desires to express his sense of the openness and courtesy which he has experienced throughout these

negotiations, both from the representatives of Canada and from the Governor and Deputy-Governor of the Company, and the patience with which they have entertained proposals which, from their point of view, must no doubt have appeared inadequate.

Lord Granville is aware that a proposal of this kind will require consideration, but he hopes that you will lose no time beyond what is necessary in acquainting him with your decision.

I am,

SIR,

Your most obedient Servant,

FREDERIC ROGERS.