INFLUENCES AFFECTING THE TRANSFER OF RUPERT'S LAND

Some Aspects of the Attitudes of Five Governments and Peoples to the Transfer of Rupert's Land from the Hudson's Bay Company to Canada, July 15th, 1870.

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INTRODUCTION

The first parliament of the newly-formed Dominion of Canada, in 1867, received a motion for the admission, into the Dominion, of the North-West Territory and of Rupert's Land, then under the control of the Hudson's Bay Company. This was in accordance with Section 146 of the British North America Act. This would serve to connect the older provinces with the new British Columbia, it was hoped, when communications permitted and to contribute to the realization of a nation that should stretch from the Atlantic to the Pacific.

Of this area, Rupert's Land, was the section already possessing settlement and a climate and soil suitable for settlement expansion. It was a focal point of interest not only to Canada but also to the Hudson's Bay Company, to Great Britain, to the United States and to the Red River Settlement, which centred the area. Canada's action, an ambitious and hazardous one for such a young nation, was precipitated by the conflicting interests of these governments and peoples.

Great Britain, conscious of her anomalous position in allowing the monopolistic policy of the Hudson's Bay Company to exist in a democratic country, was further embarrassed by Company requests for military support of such control
and by the settlers' demands for a government similar to that enjoyed in other parts of the Empire. The Hudson's Bay Company, saddled with the administration of the District of Assiniboia in the middle of its fur trading monopoly, recognized the value of the territory to Canada and wanted to realize a profit, if possible, from its disposition. Canada found the situation both a challenge to its new nationhood and a threat to its financial, administrative and political capability. The United States felt a need to enlarge its northern holdings as a balance of power following the Civil War, and also to enlarge the facilities of the neighbouring state of Minnesota, which repeatedly urged such action. The Red River Settlement, through its quasi-legal Provisional Government was indignant because its viewpoint was ignored and was determined to achieve the best possible bargaining position in the matter of the transfer.

The transfer of Rupert's Land from the control of the Hudson's Bay Company to that of Canada has been capably described as a matter of varying importance by each of these groups. Official records, correspondence and debates of the various governments, including that of the Company, have dealt with the details of negotiation and development of policy as it affected each party.

The British viewpoint is given by such authors as
and W.P. Morrell, Hon. C. Bigham, W.M. Whitelaw,
J.A. Gibson, E.W. Watkin, C. Martin and G.F.G. Stanley, as
well as from official records.

The Hudson's Bay Company Archives, on microfilm
in the Public Archives of Canada provides material of value,
and such authors as Bryce, Rich, Schooling and Willson deal
comprehensively with its history.

Canada's attitude is well portrayed by Creighton,
Galbraith, Martin, A.S. and W.L. Morton, Pope, Stacey,
Wrong and others.

The private correspondence and official reports of
such Americans as J.W. Taylor, Kittson, Sumner and Fish are
supplemented by the accounts of Blakeley, Glegen, Callahan,
Gluek, Knox, Nevins, Rife, Sharp and Upham. The Congres­sional Globe reflects the interest shown by specific groups.

The attitude of the Red River Settlement is ex­
pressed by such contemporary writers as Begg, Boulton, Dugas,
Ritchot, Garrioch, Gunn, Tuttle, Ross and West, by accounts
found in the newspapers of the area, by the proceedings of
the Provisional Government, the report of Donald A. Smith,
and by the correspondence between the various governments.

The documents important to the problem of this
thesis, include The Hudson's Bay Company Charter, Section
146 of the British North America Act and the Act, Procla-

It is proposed to show the development, in each group, of an interest in Rupert's Land increasing over the years as its value became more apparent. The convergence of these viewpoints led to inter-acting activities and influences, finally causing the formation of the province of Manitoba before that area was politically mature, and before Canada's economic and political stability warranted the assumption of such a responsibility. As each group pursued its own course to its goal, the changes in policy necessitated by the proximity of conflicting interests will be indicated.

In the preparation of this thesis, grateful acknowledgment of indebtedness is made first of all to the valuable material in the Public Archives of Canada, made available through the generous research facilities of the
Archives and the helpfulness of its staff. To the Governor and Committee of the Hudson's Bay Company in London gratitude is expressed for the kind permission to study, and to quote from, the Archives of the Company, as preserved on microfilm in the Public Archives of Canada. The Library of Parliament, the library of the American Embassy and the Ottawa Public Library have been most helpful and informative. Sincere appreciation goes to my former professor of history, Dr. George Buxton, and to my present advisor, Dr. Alfred Vanasse, Head of the Department of History at the University of Ottawa. Finally, to my skilful typists, Elaine Burgess and Kay Graham and to my mother, for her encouragement, I express my thanks.
CHAPTER I

SOME ASPECTS OF THE BRITISH ATTITUDE TO THE TRANSFER

The transfer of Rupert's Land from the custody of the Hudson's Bay Company to the new Dominion of Canada bridged two hundred years of colonial policy, and joined one of the Empire's oldest and one of its newest overseas commitments.

Charles II followed the Stuart predilection for granting monopolies when, in 1670, he granted to the Company of Adventurers Trading into Hudson's Bay one of the largest sections of North America ever assigned as a single unit. Seven years after the 1688 Revolution the Hudson's Bay Company had its Charter approved by Parliament. From that time on, the Company's grant remained unquestioned and even gained in prestige from its long years of usage and enjoyment.¹

The British House of Commons, in February 1857, called for the formation of a Select Committee to inquire into the affairs of the Hudson's Bay Company, with especial attention to the question of the renewal of the License to Trade, the administration of the grant of Vancouver Island, the investigation of the Company and the possibility of

¹ Hugh Edward Egerton, A Short History of British Colonial Policy, London, 1897, p. 3.
opening up part of the original Charter-granted territory for settlement.  

The Colonial Secretary, Henry Labouchere, sent an urgent request to Sir Edmund Head, Governor of Canada, inviting the Canadian Government to send a representative:

"The enquiry will be mainly directed to the question of the renewal of the license: but it must incidentally embrace the general position and prospects of the Hudson's Bay Company. As many points may arise in the course of this enquiry which may affect the interests of Canada, I have to instruct you to consider, with the advice of your Council, the question whether it may be desirable to send witnesses to appear before the Committee, or in any other manner to cause the views of the Provincial Government, and the interests of the Canadian community, to be represented before the Committee."  

The Canadian reply, relayed through the Governor, read:

"The committee desire to urge the importance of ascertaining the limits of Canada, in the direction of the Territory over which the Hudson's Bay Company claim jurisdiction. The general feeling here is strongly that the Western boundary of Canada extends to the Pacific Ocean. In this, or in any view, the tracing and fixing on the ground the line of separation between the United States and these Territories of the North West is of great importance. The rapid settlement of Minnesota shortly to be admitted a State of the American Union renders this the more...

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necessary for as civilization approaches the Boundary, so will be increased the difficulty of maintaining the distinction between the rights of the nations on the Frontier."4

Canada's representative to the sessions of the Committee was Chief Justice Draper. He was instructed to observe the disposition of Vancouver Island, situated "between the extensive seaboard of Russian America and the vast territory in the hands of the United States", and also "to urge the expediency of protecting" the lands above Lake Superior from seizure or irregular settlement, until the advancing tide of settlers from Canada and the United Kingdom might fairly flow into them and occupy them as subjects of the Queen on behalf of the British Empire."5

In his replies Draper emphasized to the Select Committee Canada's three main concerns were: a) the boundary delineation; b) the importance of continued British ownership; c) Canada's need to be given opportunity for expansion of settlement.6 He mentioned the fact that Glengarry settlers, who might have settled in Saskatchewan, had settled in Minnesota instead.7 But he stressed that

6 Report of the Select Committee, 1857, #4055.
7 Ibid., #4069.
Canada was not ready to govern Rupert's Land until communication was established, nor to establish forms of government there until there was a connecting link of settlement. Optimistic reports of the fertility of the land, the mildness of the climate and the feasibility of communication were given by explorers, soldiers, missionaries, travellers and settlers, offset by many pessimistic forebodings of the Company Governor, Sir George Simpson, and his officers. In the end, the Committee reporting in July, 1857, recommended that: a) the grant of Vancouver Island be revoked; b) Canada be allowed to carry out colonization activities in areas suitable for such use; c) the Company should continue to enjoy the privilege of exclusive trade, except as limited by a) and b) above.

The boundary question, which the Imperial Parliament had offered to submit to the Privy Council for decision, was not settled. Canada hesitated waiting for the Imperial Government to check the validity of the Company's Charter at the same time. This, unfortunately, was not included, and nothing was done about either question.

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10 Ibid., p. 243.
In the same year, Britain sent Captain John Palliser to explore and report on the area known as Rupert's Land, or that portion of it that might be suitable for settlement. His report was most favourable, and he strongly advised, in his 1859 report, that a Crown colony be created to prevent its loss as a British possession.¹¹

Labouchère, for the Liberal Ministry of Lord Palmerston, was prepared to hand over to Canada the control of all land ready for settlement. However, Canada still had not an answer to the boundary or the validity questions, nor the Company to its License request. Labouchère suggested to the Hudson's Bay Company that its License to Trade might be renewed for the petitioned twenty-one years on condition that Canada be given the section needed for colonization as soon as conditions were favourable for that purpose. Unfortunately for his plans, Palmerston's Ministry was defeated, and Derby's Ministry brought, to replace Labouchère, Lord Stanley, followed in four months' time by Sir Edward Bulwer-Lytton, in June, 1858.¹²

During Lytton's term of office, the Company was asked to agree to a Privy Council examination of the Charter.

and Canada to obtain a writ to repeal the Charter. Nothing came of either suggestion, and Lytton's offer of a two-year extension of the License was refused, as carrying no authority with Indians. Lytton's plan to have the Charter validity tested by the Judiciary Committee of the Imperial Privy Council was interrupted by the June, 1859, change of government. The Duke of Newcastle replaced him.

This too frequent exchange of Colonial Secretaries, because of ill-health, death or change of Ministry, supplied the Colonial Office with Secretaries who, no matter to what degree they were intelligent or interested, must perforce lean heavily upon precedent in their decisions. There was little opportunity to exhibit audacity or initiative or to complete the trend of policies which appeared favourable and advantageous.

"Although the British Empire was founded over three hundred years ago, the Colonial Office, save for a short interval from 1768 to 1782, had no separate existence until 1854." 13

The Colonial Office, put under the War Office in 1784, was for many years regarded as one of the least important of the Departments of Government, and was constantly hampered by the supervision of the War Office, the Treasury and the Board of Trade, and even by-passed by

 Customs and the Post-office, which chose to deal directly with the colonies.

"The attitude of the United Kingdom towards Canadian problems was largely the attitude of the Colonial Office, and more specifically, the attitude of the permanent officials at the office."  

"The impression gained from studying some thousands of minutes is that the permanent officials were men of great talents and industry, with abundant good sense, possessed of a saving gift of humour, and actuated by a desire to do all they could for the benefit of the colonies."  

Sir James Stephen, in office 1836-47, "the real founder of Colonial Office methods and traditions", was reported to know "far more about the colonies than did his chiefs and far more about affairs than did the colonies".  

His successors, Herbert Merivale, 1847-59, and Sir Frederick Rogers, 1860-71, shared his views: "All three have left on record their willingness to see the responsibly-governed colonies rise to the full status of national autonomy."  

Sir R. Herbert served from 1871 to 1892, when the position of the Colonial Office had become one of the

17 Ibid.
most important Departments, and its decisions were forceful and respected by all concerned.  

For the period surrounding the transfer of Rupert's Land, Sir Frederick Rogers guided the Colonial Office through such achievements as the British North America Act, the recall of troops from the colonies in British North America, and the Red River insurrection. He was "forthright, rational and discerning," ..."successful and competent administrator," (and) "his influence with successive Colonial Secretaries was notorious; and that, in fact, to a very great extent, he, during these years, guided the policy of England."  

Secretaries and Under-Secretaries were influenced by national trends in political policy with regard to colonies. The late seventeenth and early eighteenth century Mercantilist theory had been that colonies, quite frankly, existed for the purpose of producing raw material for, and to absorb excess manufactures from the Mother Country. The American Revolution demonstrated the weaknesses of this system.

In the 1820's, William Huskisson, Colonial Secretary,


expounded to a "generation which despaired of the Empire"\textsuperscript{20} the theory of reciprocity, saying that "the Colonies will be one day or another free nations, the communicators of freedom to other nations."\textsuperscript{21}

Gibbon Wakefield's scheme of systematic colonization in the 1830's, based on the use of funds received from the sale of Crown lands for the encouragement of emigration, failed to allow for the independence of established colonies.

The various convictions of the 'laissez-aller' school of thought, the 'Little Englanders', Bright, Lowe, and the Manchester School, held in the 1840's and 50's, were all based on the theory that the colonies, with their constant financial demands, were too great a drain on British taxes, and should be let go. (Canada's defeat of the 1862 Militia Bill lent strength to this less popular theory in the 60's). Opposition from the evangelizing Claphamite group, which believed in the responsibility England held for its far-spread Empire population, was matched by the rise of militarism on the European field, and made Britain aware of a pride and confidence in her

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\textsuperscript{20} Hugh Edward Egerton, \textit{A Short History of British Colonial Policy}, London, 1897, p. 259.
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far-flung Empire, which provided a bulwark against aggression.

At any rate, the British public made its statesmen aware of a widespread unwillingness to loosen the bonds of Empire, and English middleclass, democratic rule, as exemplified by William Ewart Gladstone's Liberal and Benjamin Disraeli's Conservative ministries, embodied in their policy the repudiation of the former "laissez-allez" attitude. Gladstone's Liberals had adapted their anti-Imperialist and Protectionist ideas to the popular ones of moderate reform, while Queen Victoria slightly favoured the Imperialism and conservatism of the Conservatives who made commercial progress their goal.\(^{22}\)

It was Gladstone, with his Modern Liberalism, who began the policy of "peace, individual liberty, progressive reform and sound finance."\(^{23}\) It was Gladstone who introduced a motion, defeated in the vote, at the conclusion of the 1857 Report, that the country capable of colonization be withdrawn from the jurisdiction of the Hudson's Bay Company and that its rights be henceforth treated on the


basis of statute. Charter validity then would not have become an issue. It was also Gladstone, alone, who, in 1870, wrote to Lord Granville, Colonial Secretary, to suggest an overlooked angle of the transfer:

"My dear Granville, has not an error been committed - now too far back to be recalled - in handing over the Red River people to the Dominion of Canada without their consent?...The Plebiscite is not according to our fashion...(but)Would it be safe - order being first re-established - to try the Plebiscite in Red River?"

Disraeli's Ministry, being definitely Imperialistic in outlook, said of Gladstone and his policy:

"..."there had been no effort so continuous, so subtle, supported by so much energy, and carried on with so much ability and acumen, as the attempt of Liberalism to effect the disintegration of the British Empire", and, "These subtle views were adopted by the country under the plausible plea of granting self-government."

He himself, however, was not too clear in his opinion as to what Britain's attitude to her colonies should be, though he intimated that self-government, plus an Imperial tariff controlling colonial fiscal matters, might be the best solution. However, in spite of the view


25 B-895, Granville Papers, PRO 30/29, Vols. 57-59, #261, Private and Confidential, March 6, 1870, Gladstone to Granville.

held by all British statesmen that Crown lands should be controlled by the Home Government, it was a Tory Secretary of State who yielded this point to colonial demands.  

It was the Conservatives who were in power when the Dominion was formed and the Liberals who supervised the transfer of Rupert's Land, so both parties had a share in shaping Dominion affairs.

"Federation was one of the questions which, because it coincided with a growing interest in Britain in Imperial affairs, coincided also with an improvement in Colonial Office methods of transacting public business."  

The connecting link between the Colonial Office and the various colonies was the respective Governors. When responsible government was granted in the 1840's, the Governor's responsibilities increased. Sir John Harvey, appointed as Governor of Nova Scotia, received this directive in 1846:

"Of whatsoever party your Council may be composed, it will be your duty to act strictly upon the principle you have yourself laid down in the memorandum delivered to the gentlemen with whom you have communicated that, namely, 'of not identifying yourself with any one party', but instead of this, 'making yourself both a mediator

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THE BRITISH ATTITUDE

and a moderator between the influential of all parties'.

It took an interested, intelligent Governor to play his role successfully:

"Although the Governor occupied so important a place in local politics, he remained essentially an Imperial officer appointed by, and ultimately responsible to, the Colonial Office....The growth of anti-imperialism in Great Britain further limited his support from home...He must explain, and as far as possible, justify, the views of motherland and province to each other...his functions being primarily diplomatic." 

Opinions expressed by Her Majesty's representatives in Canada received widespread attention, even from other governors. Although Governor Arthur Gordon of New Brunswick admits in a later letter to the Earl of Newcastle, the Colonial Secretary, that Lord Monck denied it, he still believed the truth of the accusation in the letter he wrote to Lord Monck on October 7, 1863:

29 Imperial Blue Books Relating to Canada, 1844-48, XV, Nov. 3, 1846, p. 8 (621), Corresp. relating to the Form of Gov't. in the N. A. Colonies, Earl Grey to Harvey.


31 Newcastle Papers, #221, Gordon to Newcastle, October 27, 1863.
"I hear you say very generally that there will 'never be another Governor-General'. I don't know if you think this a consummation to be desired or deprecated. Godley I remember thought it would be a good thing to get rid of the colonies and made no secret of his opinion. For my own part I don't think the colonies as far as I can judge from New Brunswick wish at all to be got rid of and I own I think they have a right to a voice in the matter."  

The previous year, Newcastle had had occasion to call Monck sharply to task for reports from Monck's domain:

"It is not my business to enter into Canadian Party (sic) Politics,...but I cannot help foreboding evil when I see a measure of such vital importance to the safety of Canada made a mere stalking horse of party warfare. I assure you the impression in this Country will be very bad and very prejudicial to the People whose loyalty will necessarily be doubted, at any rate for a time, after such a vote of their Legislature." (rejection of Militia Bill) (and of the news that Monck had dissolved Parliament, he added --) "I can only add that I am convinced that the event will create as much joy in New York as it has caused concern in London."

Governor Gordon, himself, when his championship of Maritime Union jeopardized Imperial plans for Confederation, was sharply 'directed' to convey the opposite opinion of Her Majesty's Government to his Legislature.

Sir Edmund Head, once as Governor of New Brunswick in 1851, and again in 1858 as Governor General of Canada,

32 Newcastle Papers, #220, Gordon to Monck, October 7, 1863.

33 Ibid., # 265 Newcastle to Monck, June 6, 1862.

outlined thoughtful plans for the union of the provinces. Between these years he worked equally hard for Maritime union. He also prepared a Confidential Memorandum for Labouchere, submitting Heads of a Bill for the formation of a separate province from the Hudson's Bay Company's Territory, which should be ultimately annexed to Canada:

"Item 2 - This territory shall be called the territory of 'Saskatchewan' (or 'Manitoba') and shall be separated and distinguished from the territory of the Hudson's Bay Company by the limits aforesaid... 'Saskatchewan' would be the better name as characterizing the whole territory from the great river traversing it. 'Manitoba' is the most easily pronounced and spelt - but may be thought ill-omened (sic) as I believe it means 'Evil spirit'."

He explained the object of the development:

"The object of the annexation of parts of the territory to Canada would be to allow certain portions along the frontier to be settled first - indeed tracts of (say) 25 miles square ought as soon as possible to be set out and surveyed along the whole frontier line to be sold very low or given to British subjects willing to settle on them."

Both of Sir Edmund Head's plans for a federal union, however, preceded the country's readiness for such action.

The Earl of Mulgrave, too, while Governor of Nova Scotia, had Head's support for his 1858 attempts at a plan


36 Ibid.
of union for all the provinces. In fact, it was impossible for the Queen's representatives to be indifferent to the ambitious schemes of their respective colonies.

The relationship between Governor and Colonial Secretary was an ever-changing adaptation to conditions.

"The concession of responsible government in the 1840's indicated a change of the most profound significance in the attitude of the Colonial Office towards the Province of Canada and the other British North American colonies. A world of difference lay between Lord Stanley who advised the Canadian Governor to be a sort of patriot king in 1842 and Earl Grey who declared in 1846 that the Governor must accept the advice of those ministers who controlled a majority in the colonial Legislature." 38

Labouchere, in Lord Palmerston's Ministry, had done his best to have Canada accept responsibility for part of the West. Bulwer-Lytton had been about to please Canada by having the validity of the Company Charter tested by the Imperial Privy Council.

The Duke of Newcastle found his interest in the colonies kindled on his 1861 visit to North America while in attendance on the Prince of Wales.


He was made aware of the anti-British feeling in the United States, and of its connection with the British colonies.

American Secretary of State William Seward told Newcastle in the course of a walk on Albany streets:

"We really do not want to go to war with you; and we know that you dare not go to war with us." To which the Duke replied, 'Do not remain under such an error. There is no people under Heaven from whom we should endure so much as from yours; to whom we should make such concessions. You may, while we cannot, forget that we are largely of the same blood, but once touch us in our honour and you will very soon find the bricks of New York and Boston falling about your heads.' On reporting this to Watkin he added '...I do not think they believe we should ever fight them; but we certainly should if the provocation were strong.' 39

Newcastle thus met at first hand evidence of the danger, through aggression or annexation, of losing the British possessions to the United States. He was led to believe that railway communication across the continent was one of the surest methods of combatting this menace and encouraged to further railway building in Canada by Edward Watkin, associate of the financial firms of Baring and Glyn which held much of the stock of the Grand Trunk Railway. Watkin, as the president of the Railway, came out to Canada in 1861 to further its interests. He had so interested the Duke in this and the Intercolonial Railway - with the

western route, still in the incipient state of planning - that in a letter to Lord Monck, Governor-General, Newcastle wrote:

"I have succeeded at last in bringing the question of a Postal and Telegraphic Route to the Pacific to a practical point and a good company can be formed to carry it out... My scheme, if carried out, will very soon eventuate in a solution of the Hudson's Bay Company difficulties." 40

When the proposed route, sponsored by Watkin and his financial associates, met the obstacle of insufficient land allowance along its route for settlement - the Company refused five miles right of way on either side - Watkin boldly proposed to Newcastle that the Government buy out the rights that the Company in exasperation had offered to the financiers. Newcastle refusing to give a snap decision regarding a suggestion of such magnitude, discussed the implication of such a sale on Company and Government, and cautioned against clashes of interest which might arise. 41

In June, 1863, therefore, the Government showing no intention to act, the Hudson's Bay Company was bought out, for £1,500,000 by the newly-formed International Finance Association, formed through the efforts of Watkin, Thomas

40 Newcastle Papers, #277, Newcastle to Monck, 8 Jan. 1863.

41 Newcastle Papers, #32, Colonial Correspondence, Various to Newcastle, (Watkin, Dawson, Inter., Gladstone.) Newcastle to Watkin, 15 June, 1863.
Baring, and G. C. Glyn, with Sir Edmund Head, former Governor of Canada, as its Governor. Newcastle, reporting the sale in the House of Commons, asserted that "no negotiations with the Colonial Office had taken place...But arrangements must be entered into with the Colonial Office for the settlement of the country."^42

However, nothing came of the Company's professed desire to co-operate with the Home Government. In fact, in 1866, the shareholders voted to condemn and reject the policy of colonization and even spoke of selling out to Anglo-American capitalists.43

The 1866 union of Vancouver Island with British Columbia included discussion of its relation to Canada. At first it was felt that Canada and the Company could find agreement under the terms of the proposed British North America Act, and that British Columbia might be included in the plans. Finally it was agreed that, as the Company claims were based on a Crown Charter, the first step must be an Imperial Statute, similar to that used by the British Columbia union. Accordingly an Act was passed in the

42 A. S. Morton, A History of the Canadian West to 1870-71, Toronto, 1939, p. 841, source of quotation not given.

British Parliament, enabling the Crown to accept surrender of the Hudson's Bay Company rights. 44

The Duke of Newcastle had been replaced, in 1864, by Edward Cardwell and he, in turn, by Lord Carnarvon who had assisted in the union of the British Columbia province and shown a kindly interest in the Confederation plans.

Although "the mechanics of keeping British governments in office obscured the project of Canadian federation" by making the project a subject of party politics in Britain, yet Cardwell's sustained interest and vigour carried over to succeeding Secretaries. To Lord Carnarvon's successor, the Duke of Buckingham and Chandos, came the task of coping with the Address to the Throne sent from the first session of the first Parliament and dated December 16th and 17th of December, 1867. The Honorable William McDougall, Minister of Public Works, former delegate to England on the North-West question, had moved the accepted resolution that an Address be sent to the Queen praying for the union of Rupert's Land and the Northwestern Territory with the Dominion according to Section 146 of the British North


America Act and to grant to the Parliament of Canada "authority to legislate for their future welfare and good government".

Canada assumed that the Hudson's Bay Company Charter was invalid, therefore no compensation was necessary. If, however, it was valid, responsibility for resumption of the Charter lay with the Imperial Government.

In the negotiations between Canada and the Company, the Duke of Buckingham had prepared a background of discussions as to the terms of surrender of the Charter. Canada was proceeding in spite of discouraging information from Lieutenant-General Michel, Administrator of Canada and Commander-in-Chief:

"On a careful consideration of the whole question, the opinion I have formed is that, until a safe communication for military purposes is completed between Canada and Fort Garry, either the union of the Hudson's Bay Company territory to Canada or the creation of a Crown Colony at the Red River Settlement would be a source of weakness and danger."47

The receipt of an informal letter from the Company offering terms for surrender was acknowledged October 27,

46 Parliamentary Debates, June 1866-May 1870, Motion to adopt Resolution (Blair-Ferguson) December 17 (106).

1868, by the Colonial Office. However, it met with the Duke's objections to the Company's request for as much as a shilling an acre for one-tenth of the territory because sales would not cover such an amount, and for such large blocks of land about the posts. His alternative offer was interrupted by another change of government as the Conservative Party of Disraeli gave way to the Liberals with Prime Minister Gladstone and Colonial Secretary Lord Granville. Of Granville it was said:

"...it is not too much to say that the relations between England and her Colonies have seldom been more strained than during the years 1869-1870. It was not that the Minister (Granville) was necessarily wrong in his conclusion, it was that such conclusion was always put forward in the manner most irritating to the colonial mind....cool and well-bred indifference for the sufferings of the colonists." 48

Granville had repudiated Buckingham's role of mediator, merely offering to provide a "channel of communication" 49 between Canada and the Company. His patience finally exhausted by delays and evasions, he wrote to the Company in March 1869:

"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

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secures to them what is politically or commercially necessary, and places them at once in a position of greater advantage with respect to their peculiar objects than that which they at present occupy."

"At present the very foundations of the Company's title are not undisputed. The boundaries of its territory are open to questions of which it is impossible to ignore the importance. Its legal rights, whatever these 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."

Lord Granville, writing to Governor-General Young on April 10, invited Canada's acceptance of the terms:

"I trust that this acceptance may be confidently anticipated and that by it an opening will be made for extending the benefits of a regular Government to those British subjects who at present occupy the Company's territory, for settling the tracts of fertile land which lie in the centre of the continent, and for the consolidation of British North America under one central Government."

In the same despatch, he referred to "the Indian Tribes who form the existing population of this part of America".


51 Ibid.

52 Col. Sec. to Lisgar, R.G.7, G.1, Vol. 174 (1)-175(1), Canada #64, Desp. 10 April to Young, pp. 33-39.
Four days later, with regard to the Imperial Government's concurrent concern, the removal of Imperial troops from North America, the Governor-General received a despatch expressing the trust "that the annoyance from the organization of Fenianism in the United States is fast disappearing... it will soon be unnecessary to maintain any British troops in those Provinces."53 This goal was challenged when it became necessary to supply troops for the subjugation of the West within the next year.

Agreement reached between Canada and Company, the law officers of the Crown tested and approved, the legality of the Canadian Parliament's Act for the Temporary Government of Rupert's Land (Dominion Statute 32-33 Vic.c.3). The transfer date, October 1st, was moved to December 1st, to allow for the necessary financial arrangements to be made. The banking concerns of Baring Brothers, and Glyn, Mills, Currie and Co., would be ready to turn over to the British Government (for transfer to the Hudson's Bay Company) the sum of $300,000 which Sir John Rose would authorize them to do on notification from Canada. Rose, resident in England, was formerly Finance Minister for Canada.

53 Col. Sec. to Lisgar, R.G.7, G.1, Vol. 174(1) - 175(1), Canada, #65, 14 April, Granville to Young.
Preparations were made for the transfer. In Canada, William McDougall, partly because of his long years of championing the acquisition of this territory, was named its first Lieutenant-Governor, to take office on December 1st, date of transfer. As Minister of Public Works, he had already sent out men, under Superintendent John A. Snow, to construct the Fort Garry section of the communicating road. On October 6 Sir Stafford Northcote Governor of the Hudson's Bay Company wrote to Governor William Mactavish of the Council of Assiniboia, urging him to ensure the cooperation of the Hudson's Bay Company officials.

The Hudson's Bay Company signed its Deed of Surrender on November 19th, McDougall arrived at his new territory, via the States, the last of October, and both Britain and Canada, as well as the Company, anticipated the final formalities of transfer.

But on November 22nd, Sir John Rose "contacted Colonial Office" and left a message with the Company, whose chief officers were absent, that he didn't feel warranted in turning over the £300,000 without further instructions from Prime Minister Macdonald. He had just acknowledged word

54 G9, Vol. 50, Gov.Gen. Correspondence, Jan. 1869 - May 1869, Young to Granville, March 16, 1869. #26 (office copy) - reporting Snow's account that road building had Mactavish's permission.
from Macdonald that McDougall had been refused admission to the Red River country.  

Canada's refusal to accept the transfer, and to pay over the £300,000 compensation to the Company until peaceful possession could be assured, came as an unwelcome surprise. After all the Royal Assent had been given on August 11th, the Deed of Surrender was signed and awaited only Her Majesty's acceptance, for the exchange of ownership to take place. The question was - who was responsible for the restoration of order that Canada demanded?

On January 7th Lord Granville, by means of Sir Frederic Rogers, had informed Governor-General Sir John Young that the law officers had declared that Canada had no legal difficulties to anticipate in accepting the transfer. This statement did not alter Canada's decision to await peaceful conditions for the transfer.

Belatedly, Canada considered the viewpoint of the settlers of the Red River Settlement. Two commissioners - Colonel de Salaberry and Grand Vicar Thibault - were sent from Canada, taking with them the Governor-General's Proclamation, based on a statement received from Lord

Granville, beginning:

"Make what use you think best of the following: The Queen has heard with surprise and regret that certain misguided persons have banded together to oppose by force the entry of the future Lieutenant-Governor into Her Majesty's settlements on the Red River. Her Majesty does not distrust the loyalty of Her subjects in these settlements, and can only ascribe to misunderstanding or misrepresentation their opposition to a change which is plainly for their advantage." 56

A third Commissioner, Donald Smith, acting in double capacity for Canada and Company, was authorized also by the Imperial Government:

"You may authorize Donald Smith to promulgate as from the Queen all or any part of the Proclamation telegraphed to you." 57

These three were to use what influence they could to explain the changeover, and to conciliate the settlers.

On November 30, Granville's cable to Young, relayed to Macdonald, had read:

"Surrender to Imperial Ministry of the Government would be void in law unless followed by transfer to Canadian Government. Government by Company has become impossible — Government by Canada only alternative and ought to be established promptly — but Imperial Government are desirous to cooperate and believe Company equally so." 58


On the same day Rose had telegraphed Macdonald,

"If Government send troops to restore order
will Canada accept territories now. Expense
equitably adjusted hereafter. Company willing
to co-operate and contribute. Seen Lord Granville
and think favourable answer forthwith." 59

That day, too, Macdonald replied that it was physi­
cally impossible to send troops in the winter, and that the
Proclamation of the transfer should be delayed. He added
that "men of influence" had been sent to the colony with
"great hopes of success". 60

On December 2, Rose wrote to Macdonald telling of a
conversation with Granville whose concern about the matter
he construed "as showing that the Government here is not in
a position to divest itself of responsibility". Company
response, he reported, led to the suggestion for the troops,
that the Company transport them, Canada house them and
perhaps contribute to their pay, and Britain undertake all
other expenses. 61

That Britain was conscious of repercussions in the
United States shows itself in Granville's request to Young:

"With reference to the confidential letter
addressed by Sir J. A. Macdonald to Mr. McDougall,
Her Majesty's Government cannot too strongly impress
upon you the necessity of taking care that nothing

59 John A. Macdonald Papers, Vol.101, Part 1, cable
Rose to Macdonald, Nov. 30. #40262.
60 Ibid., Macdonald to Rose, Nov. 30, #40268.
61 Ibid., Rose to Macdonald, Dec. 2, #40274.
is done in connection with these disturbances which would give any plausibility to a charge of violation of the territory of the United States."  

Ambassador Thornton in Washington referring to a memorial from Victoria, B. C., to the President, asking him to persuade Britain to agree to the transfer of British Columbia to the United States, had written to Granville on January 13th:

"This circumstance, the existent disturbance in the Hudson's Bay Settlement, and the asserted disaffection in Nova Scotia, are much commented on by the newspapers of this country, and are looked upon as the beginning of a separation of the British Provinces from the Mother Country and of their early annexation to the United States."  

Canada sent this report and request to Britain:

"Reports of Commissioners good, delegates to be chosen from convention, January 25 - delegates, if asking what is in their Bill of Rights, impossible to agree with them so had better have force there to greet them on return. Be ready for May 1st at Fort William as Sault Ste. Marie Canal opens about 25th April. Imperial force needed: Canada no authority to send men outside her territory but Imperial can: Red River and United States think Britain not interested: prestige of expedition greater: insurgents more likely to give in to Imperial troops. Will Britain send a small body of Regular Troops with officer of


63 Ibid., M. Otway (For. Off.) to Under Sec. of State, Col. Off. letter with one written Jan 13 to Earl Granville by Sir Edward Thornton.
repute in command (Rifle Brigade or 60th Regulars now in Canada). Hope Hudson's Bay Company will help." 64

In reply, the Imperial Government said:

"The proposed military assistance will be given if reasonable terms are given to the Red River settlers and if Canadian Government enable Her Majesty's Government to proclaim transfer simultaneously with movement of troops." 65

Major-General James Lindsay was chosen to replace Sir John Michel as Commander-in-Chief in Canada, and a telegram of March 14th said:

"The general expects to start on the 24th Instant and to reach Montreal about the 7th of next month." 66

Lindsay chose Colonel G. J. Wolseley to command the Expeditionary Force which was given permission to set forth on May 6th with small detachments from the Royal Artillery, Royal Engineers, Army Service Corps and Hospital Corps, 373 men from the 60th Rifles and two battalions of Militia from Ontario and Quebec (771 in both). 67

This expedition started immediately after the Canadian Parliament had passed the Manitoba Bill of May 3,

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64 John A. Macdonald Papers, Committee of Canadian Council to Imp. Govt. Feb. 11, 1870, Minutes re Exped. Force to Fort Garry, #40423.

65 Col. Sec. Secret & Confidential Desp. RG7, Vol.6, 1870, March 7, Rogers - Young.

66 Ibid., 14 March, 1870, Rogers to Young.

1870, and also after a peaceful agreement with the delegates would have presupposed a show of force unnecessary. However the Imperial Government, anxious to show British unity at its strongest, felt this move would restrain American interest, Red River reaction and Canadian criticism of troop removal policy. After surmounting almost impossible difficulties along a road S. J. Dawson had done his best to prepare for their use, as well as numerous portages, and American delay at allowing the 'Chicora' through the Sault Ste. Marie Canal, the troops reached Fort Garry on August 23rd to find no revolt. Riel had fled, in spite of Bishop Tache's reassurance concerning an amnesty, and the settlers welcomed the troops.

Wolseley's thoughtful explanatory Proclamation of his intentions, sent ahead on the 30th of June and circulated by Louis Riel, had calmed the apprehensions of the inhabitants.

Of Wolseley, Lindsay reported to the Secretary of State for War:

"I hardly think it possible to overrate the advantage Her Majesty's Government and Canada have derived from the employment upon this delicate as well as arduous service of an Officer of Colonel

68 Gov. Gen. Numbered Files, No.12, G 21, Vol.1(B), 1870-1871, #123, copy of Gen. Wolseley's Proclamation sent to Young by Wm. Earle, Military Secretary, Montreal, 14 July, 1870.
Wolseley's attainments, character and discretion... Amidst the stirring Military and political events now taking place in Europe, the happy solution of the Red River difficulty without Bloodshed or Political entanglements may attract less attention than it deserves, but I know that the merits of Officers and Soldiers...will meet with due recognition from you."  

The first body of troops left Fort Garry on 29th August, five days after entering it, and the second half of the troops left on September 3rd, to take advantage of the open waterways. They immediately set sail for England on their arrival in the East and were the last Regular troops to be stationed in Canada.

Lord Kimberley, assuming the post of Colonial Secretary in July, expressed to Young the fact that he disagreed with the opinion of Bishop Tache that Imperial troops should be kept in Red River Settlement over the winter; that Canada should do its own job or Dominion authority would be weakened.

On the 9th of June, Rogers had sent to Young the despatch:


71 Col. Sec. Secret & Confidential Desp. RG3, Vol.6, 1870, Kimberley to Young, 30 August 1870.
"Received copies of telegram from Thornton saying United States had withdrawn their refusal to allow the Steamer Chicora to pass through the Sault Ste. Marie Canal, and reporting you had taken leave of your Delegates, who had expressed themselves satisfied with the provisions of the Manitoba Act."  

Rogers notified Young on 13 June:  

"I propose the 15th July for the transfer of Rupert's Land to Canada. Is there any objection?"  

No objection being presented, Her Majesty graciously accepted the Deed of Surrender on June 23, 1870, the Honourable A. G. Archibald was chosen as Lieutenant-Governor, following the resignation of McDougall, and arrived in Red River Settlement nine days after the arrival of the troops, to take up his duties.  

The Imperial Government, by the 1871 Act Respecting the Establishment of Provinces in the Dominion of Canada, validated the terms of the Manitoba Act of July 15, 1870.  

The transfer of Rupert's Land to Canada was completed. Great Britain was absolved from the embarrassment of a monopolistic government in its realm and had provided satisfactory government for the people of this area.  

72 Col. Sec. Secret & Confidential Desp. RG3, Vol.6, 1870, Rogers, for Granville, to Young, 9 June, 1870.  

73 Ibid., Rogers, for Granville, to Young, 13 June, 1870.
CHAPTER II

SOME ASPECTS OF THE CANADIAN ATTITUDE TO THE TRANSFER

The Dominion of Canada came into being on July 1st, 1867, as the confederation of the first four provinces of the Dominion of Canada that was destined, after more than eighty years of effort, to become practically a sea-girt nation.

The principal inducement that would add the colonies of British Columbia, Prince Edward Island and Newfoundland to the Dominion was the construction of railway communication from coast to coast, making political, economic and social integration feasible.

Between Canada and British Columbia stretched an area of 700,000 square miles of territory, including 200,000,000 acres of fertile land south and west of Hudson's Bay which the Hudson's Bay Company held, partly by Charter and partly by License to Trade. It was essential that Canada should have control of the Company's Northern Department or the chartered area known as Rupert's Land and the North-West Territory, in order to fulfil its obligations to British Columbia by providing rail connection.

1 Parliamentary Debates, 1869, Morris of Lanark, p.444.
with the east. This plan she now began to implement.

In the fertile belt was the Red River Settlement, founded by Lord Selkirk in 1811 and repurchased by the Company in 1835, which had petitioned the Imperial Government for Crown colony status. 3 South of the belt was the advancing American nation, anxious to obtain this land for its settlers.

To advance her own settlements, and to provide continuity of possession, Canada must act swiftly. How the land was to be obtained, from whom (Hudson's Bay Company or Imperial Government), and for what price, posed problems for the capable leaders of the new Dominion.

"Federation was not adopted...as the result of a great popular demand...Federation was the work largely of a few men, inspired by wide political vision, actuated by economic interest, stimulated by dangers of foreign aggression...Not precedent but necessitous opportunity brought to birth the Canadian Dominion." 4

Once again these attributes were called upon in the acquisition of Rupert's Land and the North-West Territory.

These leaders included: Sir John A. Macdonald, the country's first Prime Minister, "the master of men, the one who manipulated the puppets when it was necessary, and

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4 R. G. Trotter, Canadian Federation, Toronto, 1924, p. 516.
always with consummate skill"; Sir George Etienne Cartier, "without (whom) federation would have been impossible" and who had reconciled his French-Canadian followers first to Federation and then to the acquisition of Rupert's Land; George Brown, pioneer of western advance in both his newspaper, The Globe, and in the Canadian Legislature, where he nearly sacrificed its realization by his sectional call for Representation by Population, and for the abolition of Separate Schools; William McDougall, who with Brown in newspaper and parliament strongly associated himself with the question; S. L. Tilley and Charles Tupper who, respectively, carried New Brunswick and Nova Scotia into the Dominion; Alexander Morris, Sandford Fleming and E. W. Watkin, railway promoters; and D'Arcy McGee, Federation's "prophet and martyr". 5

Canada had concomitant problems and legislation needing expert attention at this time: inter-provincial adjustments, threats of American aggression; Fenian raids and border acts; relationship with the Imperial Government; and, promptly but carefully, the reconciliation of the Province of Nova Scotia to its position in the Federation.

5 R. G. Trotter, Canadian Federation, Toronto, 1924, p. 318.
"What a glorious programme it would be," wrote Macdonald to Tupper, "to go down to Parliament next session with Nova Scotia pacified, Newfoundland voluntarily joining and the acquisition of Hudson's Bay". 6

Nova Scotia's secession appeal failed because of the indifference of the British public, the refusal of the Colonial Office to undertake Canada's work, and the desire in English financial circles to provide a steady Canadian investment market. 7 Joseph Howe, Nova Scotia's outstanding defender, was assiduously entreated and patiently persuaded to renounce secession - he had consistently refused to accept the alternatives of revolt or annexation to the United States - and to accept, for his province, a Dominion subsidy of $2,000,000 8 and for himself, the office of President of Council. 9

Canada had felt the challenge, and had surmounted it with fortitude, of the 1866 abrogation of the Reciprocity Treaty. The abrogation was one example of the strained

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6 Macdonald Papers, Letter Book #12, 13 October, 1868-17 July 1869, Macdonald to Tupper, 2 January 1869, p. 353.

7 R. G. Trotter, Canadian Federation, Toronto, 1924, p. 135.


American-Canadian relations after the Civil War. For fifteen years Macdonald worried about American designs which were intent on using Canada as the "Achilles heel of the Empire" to exert pressure on Britain. Little resistance to Fenian plots against Canada was offered and American statesmen were including all or part of British North America in their expansionist plans. It was the reason for the final Canadian pressure in the acquisition of the West.

Through the months of June, July and August, the official correspondence was filled with letters having to do with defence. The Governor-General, Sir John Young, asked Macdonald for a statement for Minister Thornton in Washington. "If the American government do (sic) not act in good faith, and if...some thousands of armed filibusters get into the Northwest, it will be difficult to regain lost territory", he stated.  

As the result of a tumultuous election campaign when Irish votes were too valuable for American politicians to thwart Fenian plans, Hamilton Fish replaced the aggressive, annexationist Secretary of State William Seward and Canadians breathed more easily. Mr. John Rose, Minister


of Finance for Canada, wrote to Sir John, "Mr. Fish is taking the most effectual measures about Fenianism... and I really think that so long as he is there we have nothing to fear". Certainly overt acts of violence were punished at once and the last act of aggression, suitably punished by imprisonment, occurred at the Hudson's Bay Company fort of Pembina on October 5, 1871.

Before 1867 the acquisition of Rupert's Land, though a topic of interest, "could scarcely be said to have advanced beyond the contemplative state". One reason for this was the lack of communication between various sections. Before 1850 Canada had less than one hundred miles of railway, but by 1867, after a boom backed by British Financiers, led by railway promoter Edward Watkin, and encouraged by the Duke of Newcastle, Canada possessed 2087 miles of completed railway, mainly in the east. Edward Watkin thought of himself "as the Duke's unofficial, unpaid, never-tiring


agent in these great enterprises". 15

Watkin who had come to Canada in 1861 with the backing of two firms of English financiers, the Barings and Glyn, hoped to solve the problems of the Grand Trunk Railway, promote the Intercolonial Railway and extend the line of railways and telegraphs to the Pacific Ocean. The railway promoters, however, met the difficulties posed by Company possession of the West and the lack of communication facilities beyond Lake Superior.

Prior to 1867, Canada had built only six miles of road between Fort William and Red River, 16 and little was known of the western area except what was brought by reports of travellers, returning soldiers, missionaries and American settlers south of it, by Red River petitions, by complaints of liquor sales to border Indians, and from settlers' accounts of trade restrictions.

On July 31, 1857, the British House of Commons heard the Report of the Select Committee. The Committee had held eighteen meeting chaired by Colonial Secretary Henry Labouchere, at which more than twenty witnesses were questioned by such committee members as Lord John Russell, Lord Stanley, Edward Ellice and William Ewart Gladstone.

15 R. G. Trotter, Canadian Federation, Toronto, 1924, p. 49.

The purpose of the Report was to inquire into and report upon the State of those British Possessions in North America under the Administration of the Hudson's Bay Company, or over which they possessed License to Trade. The reasons for interest at this time were: the approach of the end of the 21 year license to trade and request for its renewal; growing desire of Canada for means of extension and regular settlement; suitable provision for the administration of Vancouver Island; inquiry into the present condition of the Red River Settlement.

The opinion of the law officers of the Crown was sought regarding various points connected with the Charter. The vast extent of the Company's territory (i. land held by Charter - Rupert's Land, ii. land held by license - Indian Territory, and iii Vancouver Island) was examined. Finally, the Committee's recommendations were received by the House of Commons.

Briefly these were: (a) that Vancouver Island be removed from the control of the Company, (b) that Canada be allowed to annex for settlement such portions of Company territory as might be useful to her and for which she was willing to provide communication and administration, (c) temporary administration by Britain might be necessary if Canada was not immediately ready to undertake the government; and, finally, (d) whatever might be the validity or otherwise
of the rights claimed by the Hudson's Bay Company, that it be allowed to continue the privilege of exclusive trade.¹⁷

This investigation was partly inspired by the Oregon Treaty of 1846, whereby the United States acquired, largely by means of settlement, territory the Company had previously controlled. Such a loss of territory might easily obtain in other Company holdings, it was felt, if precautions were not taken to prevent it.

Unfortunately for both these districts and for Canada - for possession at this time would have been inexpensive - 1857 was a time of economic and political stress and it was not an appropriate time for Canada to think of expansion.

Canada had really been maneuvered into its position of sending Chief Justice Henry Draper to represent her at the investigation by Labouchere's intimation that Canada was directly concerned.¹⁸ Canada was, as it said, deeply concerned about the questions of ownership and boundaries - "The general feeling here is strongly that the Western boundary of Canada extends to the Pacific Ocean".¹⁹

¹⁷ Report on State of those British Possessions in N.A. under Administration of H.B.C. or over which they possess license to trade by Select Committee, 31 July, 1857.


Canada also sent out George Gladman, S. J. Dawson, H. Y. Hind and W. E. Napier to discover the possibilities of the area and the cost of road-building. The Legislature had planned to grant £5000 towards expenses, but abandoned the plan when Dawson reported it would cost nearer £50,000 than £5000.  

Draper had accepted the decision of the Solicitors of the Crown that "usage and recognition" made the Hudson's Bay Company's Charter valid, and the Government of Canada could do nothing when Lower Canada refused to vote funds for development of communications. Also Governor-General Head, John Rose, Edward "Bear" Ellice - still a power in the Company - and Prime Minister Macdonald himself saw the folly of trying to control and govern a wild, Indian-ridden area they could not even reach. Canada wished to preserve Canadian rights for the future, not take rash steps at the moment.

Even in 1865, Macdonald, in spite of reiterated and urgent messages from the Colonial Office, could only say to Edward Watkin, the railway promoter:

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"We have carried the scheme (Confederation)...we send a mission to England...We (Cartier, Galt, Brown and myself) shall have every opportunity of talking the subject of the North-West over with you. My own opinions are unchanged. If Canada is to remain a country separate from the United States, it is of great importance to her that they (the U. S.) should not get behind us by right or by force, and intercept the route to the Pacific...But in any other point of view, it seems to me that that country is of no present value to Canada. We have unoccupied land enough to absorb the immigration for many years, and the opening up of the Saskatchewan would...drain away our youth and strength."\(^{22}\)

Between the Report of the Select Committee and the achievement of Confederation in 1867, much activity regarding the West had taken place in Canada, though mainly by unofficial groups. Toronto business men, as a body in the Toronto Board of Trade, had advised annexation. Smaller commercial groups had tried in vain to establish mail communication or to interest the Company through Governor A.G. Dallas or the Imperial Government, to establish communication in 1862. These had failed to achieve their designs and the North-West Transit Company also failed to materialize.\(^{23}\)

The Imperial Government had, during this decade: allowed the Company's license to trade in the Indian Territory to lapse at the expiration of its lease, though the Company continued its fur trading as usual in the Indian


\(^{23}\) R.G. Trotter, Canadian Federation, Tor.1924, p.259.
Territory; made Vancouver Island and the mainland, under Governor Douglas, into a Crown Colony and requested the Canadian Government, in vain, to have the validity of the Company's Charter tested by law. Colonial Secretary Bulwer Lytton was about to request the Judiciary Committee of the Imperial Privy Council to do so when his party went out of office in June 1859. He was succeeded as Colonial Secretary by the less interested Duke of Newcastle.24

When, in 1860, the Duke of Newcastle accompanied the young Prince of Wales on a tour of the American possessions, he changed his attitude toward the colony and enthusiastically, worked for Confederation and the acquisition of the West.25

In 1862 Sir Edward Watkin who had tried to persuade the Imperial Government to buy out the Hudson's Bay Company, when frustrated by the refusal of the Company to provide a ten-mile wide right of way for his proposed road and telegraph line across the Company property, decided to accept the challenge of Governor Berens's scoffing query, "Why don't you buy us out?!".


His newly formed International Finance Society, composed of British financiers (but not including Thomas Baring or the older Glyn) bought the Hudson's Bay Company for the sum of £1,500,000 and planned to carry on trade under the Charter.

It was proposed to administer the Company's affairs—

"on such principles as to allow the gradual settlement of such portions of the territory as admit of it, and facilitate the communication across British North America by telegraph or otherwise." 

The new Company had the advantage of knowing the financial and political importance of this transfer to Canada, and the disadvantage of having lost rapport with its wintering partners and with the settlers by leaving them out of sale negotiations in the 1863 changeover.

The Company's offer, to take £1,000,000 for all their territory and trading claims east of the Rockies, appeared unreasonable to Canadian delegate George Brown while in England in 1863-64. He urged the extinction of the Company's claims which, he said, Canada had neither created nor recognized and in such case could not accept the proposed price. 1865 negotiations with visiting Canadian delegates also


27 Ibid., p. 163.
failed to achieve settlement. In 1867 negotiations were little more advanced than they had been twenty years before.

By 1867 Macdonald's opinion had changed:

"The Hudson's Bay question must soon be settled; the rapid march of events and the increase of population on this continent will compel England and Canada to come to some arrangement respecting that immense country. We shall ventilate the subject during the ensuing session of Parliament, which commences on the sixth of November, and shall be able to judge what the feeling of Parliament is." 29

On December 4th, 1867, in the first Parliament of the new Dominion, William McDougall, Minister of Public Works, introduced a series of resolutions, upon which an address to the Queen was later based, asking that Rupert's Land and the North Western Territory be united with the Dominion, in conformity with the provisions of the 146th section of the British North America Act. 30

The Resolutions leading to the Address had given the reasons for Canada's interest. The acquisition would improve the prosperity of the Canadian people and conduce to the benefit of the whole Empire if Canada extended west to the

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30 John A. Macdonald Papers, Vol. 101, Part 1, Correspondence between Gov.-Gen. and Sec. of State #107, Despatch from Monck to Buckingham and Chandos, 21 Dec., 1867.
shores of the Pacific Ocean. The colonization of the fertile lands of the Saskatchewan, Assiniboine and Red River districts, the development of mineral resources and the extension of commercial intercourse was dependent on stable government for the maintenance of law and order in the North-West Territories. The Welfare of the population would be enhanced by political institutions similar to those of the provinces of the Dominion. The rights of the Indians and the Hudson's Bay Company would be considered.31

On February 30, 1868, Macdonald wrote to Sir G. E. Cartier, then Minister of Militia:

"...the legal investigation which has been made by the Law Officers of the Crown has resulted in so decisive a conclusion in favor of the rights and powers of the Hudson's Bay Coy.(sic) that it will in his opinion be found impossible to vest any powers in Canada over the Territory without an Act of Parliament and probably without arrangement with the Company...immediate action by us is required in order that an Act might be introduced...at the earliest moment (into the Imperial Parliament)".32

During 1868 and 1869 the Duke of Buckingham and Chandos assisted at the discussions between the Company and the Canadian delegates, Hon. G. E. Cartier and the Hon. Wm. MacDougall. In that time both the Colonial Secretary and

31 Parliamentary Debates, June, 1866 to May, 1870, First Parliament, First Session, 16 Dec., 1867, Resolutions and also Encl. #2 in Second Despatch from Monck to Buckingham and Chandos, 1 Jan. 1868.

the Company Governor were replaced and MacDougall had been
gravely ill for some time so it was not until May 1869 that
Cartier and MacDougall reported to their government. The
new Colonial Secretary, Earl Granville, feeling that
negotiations had reached a stalemate, had presented his own
list of terms to both parties in the form of an ultimatum.
Both parties had agreed to the terms subject to the approval
of the bodies they represented. This Rupert's Land Act of
1868 had, as term two:

"For the purposes of this Act the term 'Rupert's
Land' shall include the whole of the Lands and
Territories held or claimed to be held by the said
Governor and Company". 33

Cartier reported to his French-speaking compatriots
on April 15th regarding the:

"... succès qui a couronné ma mission en Angleterre
avec mon très habile collègue M. MacDougall.
Chacun sait que si la Compagnie de la Baie
d'Hudson avait un titre douteux sur certaines
parties de territoire, son droit était certain
sur d'autres parties importantes. On a aussi
prétendu que nous aurions dû demander au con-
seil privé d'en décider. Mais qu'en serait-il
resulté? Le proces aurait duré trois ou quatre
années et pendant ce temps-là la Puissance
aurait été privée de ces droits et titres, et
trois ou quatre années c'est beaucoup pour
un pays progressif comme le nôtre." 34a

33 3rd Session of 19th Parliament of United Kingdom
of Great Britain and Ireland. (piii-v) Preface to Statutes
of Canada, 1369, 31 July 1868.
34 Rupert's Land Act 1868, c. 105,(31-32 Victoria).
34a Joseph Tasse, Discours de Sir Georges Cartier,
Montreal, 1893, p. 608.
As far as the cost to Canada was concerned, he said:

"le gouvernement imperial garantirait l'emprunt nécessaire pour l'acquisition...Avec cette garantie nous pourrons emprunter a 3½ pour 100, et en y ajoutant 2 pour 100 d'amortissement, nous aurons a payer pendant quarante-cinq ans a peu pres £15,000 par année, et voila tout."35

The main terms of the agreement were: that the sum of £300,000 was to be paid over to the Company at the time of transfer, and the Company asked the right to retain 45000 acres around its posts. Only four of them were in the fertile belt as McDougall was quick to appreciate, but the 500 acres around Fort Garry became valuable indeed. The Company also asked the right to claim blocks of land up to 1/20th of the arable territory.

The Rupert's Land Act referred to "the whole of the lands and territory held or claimed by said Governor and Company", and stated that it was competent for the Governor and Company to surrender to Her Majesty any or all of this territory when terms of admission to Canada were approved by Her Majesty and embodied in an Address from both Houses of Canada. There was to be no charge on the Consolidated Fund of the United Kingdom. Upon Her Majesty's acceptance of the surrender, all Company rights were to be extinguished (except trade and commerce rights). Her Majesty was able to

35 Joseph Tasse, Discours de Sir Georges Cartier, 1893, Montreal, p. 608-609.
admit Rupert's Land into the Dominion and establish courts, etc. 36

"The terms of surrender as forwarded," wrote Sir John Young, "will be accepted by Privy Council without objection." 37

Canada made provision for the transfer by passing an act for the temporary government of the territory and by the passing of the Rupert's Land Loan Act by which the Imperial Government agreed to guarantee the sum of £1,460,000 for compensation to the Company for the transfer. 38

The financial assistance to which Cartier referred was obtained from Great Britain by means of the Canada (Rupert's Land) Loan Act of August 11, 1869. Britain guaranteed the loan of the £300,000 to Canada, as stated, with details of the Sinking Fund to be arranged by the Treasury. Sir John Rose, lately retired from the Canadian Cabinet to join a London banking firm, was to act for Canada and the money was to be deposited with the firms of Baring


38 Statutes of Canada, 1869, 22 June, 1869, pp. 19 and 3-5 respec.
and Glyn ready to be turned over at the time of transfer.

Macdonald and his colleagues had certainly changed their minds about the West. The acquisition of the West, together with the return of Howe and the Conservatives in the Nova Scotian elections, and the expected entry of Newfoundland into the Dominion, would mean a strengthened Canada. Macdonald allowed himself pride in adroitness when he wrote to Sir Hastings Doyle, on June 16, 1869:

"We hope to close our session this week, and a very momentous session it has been. We have quietly and almost without observation, annexed all the country between here and the Rocky Mountains." 39

Canada received permission from the Hudson's Bay Company to send out a surveying party prior to taking over the country, and composed an "Act for the Temporary Government of Rupert's Land and the North-West Territory when united with Canada." This was to be in force until the end of the next session of Parliament, when the Canadian Government would determine what form the permanent government of the area should take. The government was to be in the hands of a Lieutenant-Governor and a Council of not over


than fifteen including Captain D. R. Cameron, son-in-law of Sir Charles Tupper; A. N. Richards of Brockville, former Solicitor-General for Upper Canada, as Attorney-General; J. A. N. Provencher, editor of Montreal pro-West newspaper, "La Minerve"; Alexander Begg as Treasurer and Collector of Customs and J. S. Dennis as Surveyor-General.

To take charge of this Council, Macdonald asked McDougall to accept the post of Governor for several reasons: his interest and connection with the West, his membership in Brown's party and also in the Coalition Government of 1867 and also the need to find a suitable post for him as a reward for his activity. Although McDougall finally accepted the position, his first reply was a curt refusal:

"It appears to me all you want is a clever subordinate" and proceeds to explain, "I must frankly tell you that you have mistaken my character and mind and my estimate of the position I have attained and can attain in the new Dominion. I may, as many men do, over-estimate my own powers, but I have never failed to make something break when I have exercised them heretofore, and I do not think age or exercise has yet weakened them -nor are present opportunities less favourable." 41

These were indeed prophetic statements.

In 1868 the Canadian Government had received a plea from Portage la Prairie for political assistance, which had

explained the uncertain state of the colony, but no action had been taken.\footnote{42 A.R.M. Lower, From Colony to Nation, Toronto, 1946, p. 353.} However, Macdonald perhaps never really understood the western situation regarding the extent, type and disposition of the people of the area, their ignorance of the transfer negotiations, and their dismay that their consent was not sought. Therefore he could not be explicit enough in his instructions to McDougall. With some misgiving as to what McDougall might encounter he wrote to Brown:

"McDougall goes with a large party and I think is safe from all molestation. I anticipate that he will have a good deal of trouble, and it will require considerable management to keep those wild people quiet."\footnote{43 John A. Macdonald Papers, Vol. 516, 14 Oct. 1869, John A. Macdonald to Brown, p. 237 (micro.).}

However Canada's concern was, primarily, with the financial arrangements for the transfer, and for a sure return on the investment they were making. Cartier wrote:

"L'émigrant se portera volontiers dans le Nord-Ouest et avant cinq années il y aura là 80,000 âmes. Les douanes nous donneront alors un revenu de £60,000 par année."\footnote{44 Joseph Tasse, Discours de Sir Georges Cartier, 1893, Montreal, p. 609.}

Again in the House of Commons on May 28, 1869, Cartier said:

"...je suis convaincu que mes collègues du \textit{Parlement} ont apris avec plaisir que le Canada allait dévenir propriétaire d'un immense territoire."\footnote{45 Ibid., p. 621.}
On September 29th, Macdonald saw McDougall off on his way, well in advance, to the anticipated assumption of his duties. He was to contact Governor William Mactavish, report on the situation, acquaint the settlers of the details of the transfer and organize his plans, but not to assume his responsibilities as Governor until notified. 46

McDougall, as Minister of Public Works, had, in 1868, made his first unfavourable impact upon the West, when he sent, without permission of the Hudson's Bay Company, roadbuilders J. A. Snow, Charles Mair and Stoughton Dennis, to build the western end of the Dawson route from Fort Garry toward Lake of the Woods. This was done partly under the guise of supplying relief work to the Red River sufferers from the plague of grasshoppers of that year. However their unpleasant manner and embarassing gossip about the people of the Red River Settlement harmed the Canadian cause. 47 Of this antipathy, McDougall apparently had been informed and should have been prepared to deal wisely with it.

"It was only after McDougall left Ottawa that Macdonald learned that Col. Dennis had observed this discontent on the part of the half-breeds in the preceding summer, and had reported it to his chief,


who apparently thought so little of the circumstance that he did not even mention it to his colleagues."48

The Honourable Joseph Howe, Secretary of State for the Provinces made an informal visit to Fort Garry just before his colleague was due to arrive. He wrote to Macdonald:

"I have been here a week...I shall probably meet McDougall on the way (home) and will give him the benefit of my observations...my visit here has been opportune and useful...I have done my best to give McDougall a fair start. All will now depend on his tact, temper and discretion."49

McDougall, later on in the House sessions of 1870 was to complain that Howe had given him no information and had worked him nothing but harm in Fort Garry.50

On July 9th, McDougall had commissioned Stoughton Dennis to proceed to the district in order to select the most suitable localities for the survey of settlements for immediate use. He was to confer with Governor William McTavish and with Superintendent J. A. Snow of the Fort Garry and Lake of the Woods Road.51

Though he used the same unpopular agents, McDougall seemed by his reference to Governor McTavish, to wish to conciliate the Hudson's Bay Company now.

50 Parliamentary Debates, 1870, column 121-2.
In the Red River settlement, changes appeared, the obvious ones being the wagon roads and telegraph poles which were to lead to Canada and the unexplained surveys of homelands which had been acquired by purchase or by squatters’ rights. Frightened, suspicious settlers were not reassured by lack of explanation by Company authorities, and the ineffective control by some of the Catholic clergy who, having come out from France, felt that they owed loyalty neither to Canada nor to Britain. 52

Small wonder that the arrival of McDougall – the instigator of the roads, telegraphs and surveys – via the States, on October 30th, was unwelcome. A written order from the métis committee, formed ten days before, ordered McDougall not to enter the territory without permission of the Committee, whose president was John Bruce, but whose secretary, Louis Riel, was the real leader.

McDougall proceeded to the Hudson’s Bay Company fort of Pembina two miles past the border, where he found letters from Dennis, advising him to go no farther, and giving details of the insurrection. 53

The letter which McDougall wrote to his Prime Minister from Pembina, October 31st, stated:


53 McDougall’s Papers, Red River, 1869-1874, #27-32, #17-20.
"You must expect a call for volunteers from Canada to settle the country, with a good rifle among the implements of husbandry in each case... I will only add I am not frightened and do not believe the insurrection will last a week."  

Macdonald, twenty days later, told McDougall that his letter and documents had been read in Council and said no instructions could be given in such unpredictable circumstances, but did warn him that surveying was his secondary commitment and should have been stopped at the first signs of discontent. Stoughton Dennis, he added, was "a very decent fellow and a good surveyor and all that, but he has got no head, and is exceedingly fussy." He added that he had every confidence in "your prudence and tact".

Writing again to McDougall on November 23rd, he urged:

"I hope no consideration will induce you to leave your post - that is, to return to Canada just now. Such a course would cover yourself and your party with ridicule, which would extend to the whole Dominion. I am in great hopes that, by patience and kindliness, you may be able to subdue the present excitement."

On November 29th, Howe wrote to McDougall, "The crisis is grave, as it was unexpected, and might if dealt with rashly..."


and unwisely, lead to a civil, if not a national war". He added that the Governor-General had cabled the Secretary for the Colonies, and advised no hasty action until Imperial views were known. "The insurrection is not merely an expression of dislike to the Government of the Dominion, but an open violation of Imperial legislation and defiance of the authority of the Crown."

Macdonald cabled the Honorable John Rose, ending his resume of events at Red River with "Has the money been paid over?" Rose, realizing the significance of the query - no responsibility until exchange concluded - replied that he had notified the Colonial Office (but had been unable to inform the Company as neither Lampson nor Northcote of the Company could be reached) that the money would not be turned over until he received instructions, and concluded, "of course Canada must be put in peaceable possession of the Territory."

Rose in later correspondence, confirmed the fact that the money was deposited but not paid over, that Lord


60 Ibid., #40226-8, 22 Nov., 1869, Rose to Macdonald.

61 Ibid., #40253 follows Nov.26 but no date.Rose to Mac.
Granville had issued a Proclamation expressing the Queen's "surprise and regret" at the uprising, and that "everything will depend upon the decision of the Government as the Financial Agents had been instructed...to pay it over as soon as the (Colonial) Secretary should certify that the surrender was made."  

Governor-General Sir John Young, on advice of Council, cabled Lord Granville, "on Surrender by Company to Queen the Government of Company ceases - responsibility of administration of affairs will then rest on Imperial Government. Canada cannot accept transfer unless quiet possession can be given. He concluded that his advisers thought the Proclamation should be postponed. Envoys were being sent from Ottawa to explain the situation to the settlement.  

The Company, which had signed the Surrender of its Charter rights of proprietorship on November 19th, was anxious to have it accepted by Her Majesty, thus releasing them from further political responsibility for the territory. They urged the Colonial Office, which also was willing, to keep the original transfer date of December 1st. Macdonald's reaction to this, as expressed in a telegram to Rose, was that he:  

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63 Ibid., # 40257, Nov., 27, 1869, Rose to Macdonald.  
64 Ibid., # 40255
"Can't understand the Colonial Office or the Hudson's Bay Company. It would hand over the game to insurgents and Yankees. Delay leaves McTavish in charge."65

From McDougall's reports, newspaper accounts and incidental information depending mainly on hearsay, Macdonald's summary was that Dennis, Snow and Mair had told about conditions in the Settlement, (and he blamed them for fraternizing too much with Schultz and his Canadian party); that Governor Mactavish, dying, was unable to control affairs; and that the majority of priests were not in favour of union with Canada just then. Macdonald concluded by saying that he was sending Colonel Charles de Salaberry, Father J.B. Thibault.

MacDougall, having remained at Pembina from October 30th to November 2nd, and having had envoys Cameron and Provencher report failure in parley with the insurgents, retreated in disorder at the armed request of a party of the métis who escorted him back to the border. From there he retreated to Pembina, Dakota Territory.

It was not until November that he first wrote to Governor McTavish, informing him of his predicament, and complaining that the public had not been informed of the transfer. McTavish's answer was that he had been awaiting

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MeDougall later stated that McTavish had given no hint previously as to trouble. 67

MeDougall, waiting at Pembina, Dakota, for notice of the transfer, decided to give his own Proclamation. In spite of Cameron's suggestion of a military reentry in the spring, he did so on the proposed date of transfer, December 1st, by crossing the border to the Company post of Pembina, and immediately returning to the States. He commissioned Dennis, as Lieutenant and Conservator of the Peace, to raise forces for the purpose of putting down the insurrection, giving Dennis power to "give such Orders and Instructions from time to time as may be found necessary". He signed this as "Lieutenant-Governor of the North West Territories". 58

When Dennis subsequently began enlisting Indians (including some refugees of the Sioux massacre of Minnesota of 1862) McDougall put the responsibility for such action upon Dennis. The alarmed and enraged Americans - encouraged by such annexationist sympathisers as J. L. Rolette, Customs official at Pembina, Dakota, and Enos Stutsman, Treasury agent, deplored this Canadian action and began to arm for protection.


67 Parliamentary Debates, 1870, #1316.

68 McDougall Papers, #47-49, Dec.,1,1869, McDougall to Dennis.
McDougall was forced to leave Pembina and, on December 18th, made his dreary return to Canada, where his strong denunciations of colleagues and of Company officials soon put him in disfavour. As Macdonald described the situation to Rose:

"McDougall has made a most inglorious fiasco at Red River. When he left here he fully understood that he was to go as a private individual to report on the state of affairs at Red River, but to assume no responsibility until officially notified from here that Rupert's Land was united to Canada. He wrote to that effect to Governor McTavish immediately on his arrival at Pembina."69

The Government of Canada now hurriedly recalled Bishop Tache, who had previously reported Red River unrest to Sir G. E. Cartier, and asked his assistance as mediator.

Macdonald reported to Committee of Council:

"In this regard the Company cannot be acquitted of all blame. They had an old and fully organized Government in the Country to which the people appeared to render ready obedience. Their Governor was advised by Council on which some of the leading residents had seats. They had every means of information as to the state of feeling existing in the country. They know or ought to have known the light in which the proposed negotiations were viewed by the people under their rule. If they were aware of the feeling of discontent they ought frankly to have stated it to the Imperial and Canadian Government."70


Donald Smith, one of the Montreal officers of the Company was also sent, ostensibly as a Company representative but bearing authority to act also for the Canadian Government.

Tache, in church exhortations to the settlers, and Smith, by negotiations with the Provisional Government, were able to arrange that delegates would be sent to Ottawa, after many weeks of negotiations. This was partly due to de Salaberry's previous efforts, and to Riel's desire to avoid annexation to the United States. By February 11th the three delegates were chosen (Father J. N. Ritchot as French representative; Judge John Black, Chairman of the Convention, as English representative and Alfred Scott as American representative). A Bill of Rights was drawn up by general convention and given to the delegates to be taken to Ottawa.

The "judicial murder", March 4th, of Thomas Scott, a prisoner at Fort Garry and, unfortunately, an Orangeman, destroyed much of what Riel had, with astuteness, accomplished with his Provisional Government.

In February a request went from the Committee of the Executive Council of Canada to Lord Granville, asking for assistance and that troops be sent to the West to assist the Hudson's Bay Company in restoring order, to protect Governor

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McTavish and to meet the delegates on their return to the Settlement from Canada, especially if their demands were refused. Lord Granville agreed to send troops on condition that the transfer be accepted and that the troops were not to use force. Macdonald, annoyed, said: 

"They are to be of no use. If we accept the transfer we are committed to its conquest... why should we pay for troops that may be ordered not to act...?"

However the Governor-General's reply announced that he was to be appointed Governor by the Company, at the suggestion of the Imperial Government of Rupert's Land for the interim, and that Canada was to get troops - 200 or 250 men to go, accompanied by a Canadian force of 800 - and pointed out that "the expense fairly attaching to the British contingent (was) to be borne by England". Eventually about 1200 men, under Colonel Garnet Wolseley set out for the West and, refused use of the Sault Ste. Marie by the United States Government, made their way over the Dawson route, which they repaired from Prince Arthur to Lake Shebandowan. Arriving at Fort Garry on August 24th, they won a bloodless victory. Riel and his treasurer, W. B. O'Donoghue, had fled from Fort

72 Macdonald Papers, #40423, Committee of Co. Feb., 11, 1870.
74 Macdonald Papers, #29802, Vol. 76, April 11, 1870.
Garry to the United States just prior to their arrival. 75

In the meantime, on March 22nd, the Red River delegates had left for Ottawa. There, in April, they finally met for informal discussions with Government officials - after being released from a brief sojourn in a Toronto jail because of strong feeling about Thomas Scott's execution. The terms of the amended Bill of Rights constituted about half of the Manitoba Bill. It proved wiser to accede to most of the Western wishes than, by delay, to cause a break in Ontario-Quebec sympathies. 76

On May 2nd, ailing Prime Minister Macdonald presented the Manitoba Bill to an expectant House of Commons. One last change took place in the Bill after its introduction. Portage la Prairie had asked to be included in the new Province. So the province's western boundary was moved from 98 degrees, 15 minutes to 99 degrees. This meant a change in population, 17,000 instead of 15,000, and an increase from 12,000,000 to 14,000,000 acres for half-breeds. The eastern boundary of 96 degrees joined the Sioux Indians to Canada, as they had requested. Manitoba was understood to encompass about 100 square miles of the settled areas of the south and west, while the rest of the area would be called, and governed, as the Northwest

76 Ibid., p. 912.
Territory. After discussion, the Act received the Governor General's approval on May 12th, 1870, after item #1370 had made arrangements for the payment of $1,460,000 to the Company.

The Imperial Government accepted the Company's surrender on June 22nd, and the Bill became law on July 15.

McDougall's resignation, tendered in January, had been accepted by the Government. The new Lieutenant-Governor, appointed to "relieve" Sir John Young of his interim rule of the West was Adams G. Archibald, who took up his duties September 2nd, 1870.

Feeling in Ontario and Quebec ran high for a while, but ignored by Archibald and Wolseley, it more or less died away. Amnesty was granted to the leaders of the rebellion and losses sustained by "loyal" citizens were reimbursed. Subsequent persecution of the métis involved in the Resistance was regarded as one cause of the 1885 Rebellion.

Canada, however, had achieved her first step to the control of the West, in the transfer of Rupert's Land to the Dominion.

77 Parliamentary Debates, 1870, sections #1287–#1576.

CHAPTER III

SOME ASPECTS OF THE HUDSON'S BAY COMPANY'S ATTITUDE TO THE TRANSFER

The Hudson's Bay Company approached the transfer of Rupert's Land as the possessor of a two-hundred-year old property that was valuable, coveted and somewhat unwieldy. By the surrender of its proprietary rights to the Crown, the Company retained the fur trade, but was relieved of the government and administration of an area rendered more complex by encroaching civilization.

The preamble to the Deed of Surrender in reviewing the Company's status at the time of the granting of the Charter, in 1670, stated:

"Greeting -
"Whereas the said Governor and Company were established and incorporated by their said name of 'The Governor and Company of Adventurers of England trading into Hudson's Bay by Letters Patent granted by His late Majesty King Charles the second in the 22nd year of His Reign whereby His said Majesty granted unto the said Company and their successors the sole trade and commerce of all those Seas, Straits, Bays, Rivers, Lakes, Creeks and Sounds in whatsoever latitude they should be that lay within the entrance of the Straits commonly called Hudson's Straits together with all the lands and territories upon the Countries, Coasts and Confines of the said Bays, Lakes, Rivers, Creeks and Sounds aforesaid that were not already actually possessed by or granted to any of His Majesty's subjects or possessed by the subjects of any other Christian Prince or State and that the said land should be from henceforth reckoned and reputed as one of His Majesty's Plantations or Colonies in America called Rupert's
Land and whereby His said Majesty made and constituted the said Governor and Company and their Successors the absolute Lords and proprietors of the same Territory Limits and Places aforesaid and of all other premises saving the faith, allegiance and Sovereign Allegiance due to His Majesty, his heirs and successors for the same and granted to the said Governor and Company and their successors such rights of Government and other rights privileges liberties franchises powers and authorities in Rupert's Land as therein expressed.¹

This possession was never successfully contested.

The validity of the Charter of the Company was the subject of much controversy and increased both the expense of the transfer, and the friction between the contracting parties. Granted in 1670, the Charter was confirmed, for a period of seven years, by the Parliament of William and Mary. In 1749, for lack of a test case, the Law Officers of the Crown perforce accepted it. The North West Company, the Company's strongest competitor from 1784 to 1821, challenged the commercial, but not the political, supremacy of the Hudson's Bay Company. When Canada, after 1857, was repeatedly offered the opportunity of acquiring the territory, fear of defeat prevented legal challenge of Company rights. Long usage strengthened the Company's position and "The Charter

¹ R.G.7, G.1, Vol.409, 1867, #109, June 12, 1869, copy of draft of Deed of Surrender, Secretary of State to Governor General, Register of Despatches.
Hudson's Bay Company's attitude gave form and continuity, dignity and confidence, to the Company".  

Four distinct periods marked the first two centuries of the Company's existence. From 1670 to 1713, challenged by the French for the ownership of the territory, the Company fought foes from without and financial stringencies from within. Modest prosperity rewarded the efforts of the trading company from 1713 to 1763. From 1784 to 1821, the North West Company, which had its headquarters in Montreal, helped, by its ruthless methods of competition, to bring about demoralized trading conditions. After the union of the two companies, encroaching settlement, with its concomitant problems, provided the main threat to an originally strong position.  

During the 1810 period of Company reassessment, Lord Douglas Selkirk, a Company stockholder, requested a grant of 116,000 square miles of Company territory to be used as a colony for repatriated colonists. The chosen area, at the junction of the Red and the Assiniboine rivers, comprised most of the present Manitoba, Saskatchewan, North Dakota and Minnesota. This fertile belt, thought both Selkirk and


3 Ibid., p. 58-60.

Company officials, would serve several useful purposes. Its strategic position on the route of North West Company traders, would interfere with their rival's fur trade. A colony would most effectively assert Hudson's Bay Company ownership. Moreover, it would replace, with local produce, the main part of increasingly expensive European provisions.

Accordingly, in 1811 the land was granted, and in 1812 the first settlers arrived. For ten years the colony was a bone of contention between the competing fur companies. As well as most of the natural disasters - frost, flood and grasshoppers - the determined campaign of the North West Company to oust the settlers caused untold hardship.

At first Montreal-inspired employees were content to lure many of the settlers to "better" homes in Canada. More strenuous efforts in 1815 and 1816 led to homes being rased, crops destroyed and settlers being driven to Jack Lake or Pembina. Lord Selkirk brought in disbanded de Meuron soldiers to avenge the death of Governor Robert Semple, killed at Seven Oaks, in 1816. Finally, the Imperial and Canadian governments exerted pressure. In 1820, the death of Selkirk paved the way to the 1821 Union, and uneasy peace.5

With the reorganization consequent to the union, the new governor of the Northern Department, including the Selkirk settlement, or the Red River Settlement, or, as it was known officially, the District of Assiniboia, was Sir George Simpson. As the guiding hand of Company policy, Simpson found few tasks too difficult for his ability. "Simpson had two loyalties - to his Company and to himself - and he served both with great ability and complete devotion." Small wonder that, in 1839, he was given charge of all Rupert's Land.

Simpson was the executor of the plans of three other outstanding members of the Company Committee. Edward "Bear" Ellice had assisted in the amalgamation of the two groups, and had useful connections within the Imperial Government. Andrew Colville served as Deputy-Governor and as Governor from 1839 to 1856 with sincerity and initiative. John Henry Pelly was a strong Governor of the Company. To reconstruct the two companies into a united whole took wisdom.

Sir George Simpson's reference to the former leader of the North West Company, illustrates past conceptions and future problems:

"From Mr. Simon McGillivray's remarks I can perceive that he still continues the most renorous hostility to the settlement and will secretly if

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6 J. S. Galbraith, The Hudson's Bay Company as an Imperial Factor, 1821-1869, Toronto, 1940, p. 20.
not openly do it all the injury in his power; he
effects to think it will soon produce dangerous
Rivals and that it will become so formidable as to
shake the influence of the Hudson's Bay Company
throughout the Country."  

The reorganized company was faced with a superfluity
of staff, having the employees of both groups to consider.
Many of the Servants of both companies were encouraged, by
attractive plans for early retiral, to take up residence in
the Red River Settlement.

Simpson discovered this plan was not without faults:

"Many of our discharged Canadian servants have
this season retired to the Settlement but I regret to
say few or none of the well disposed on the contrary
those who have gone are people of very indifferent
character; there are however a great many Gentle­
men and servants belonging to both employs of charac­
ter and substance who would gladly retire thither
did they conceive that their persons and property
were safe but hold off until order and regularity
is restored. Those people are attached to the place
and would prefer settling themselves down there to
the civilized world, they have the means of making
considerable improvements and would become respect­
able and useful members of society but are really
deterred from going thither on account of the dis­
solute habits which prevail to such an alarming
extent."  

John Halkett, Lord Selkirk's brother-in-law, super­
vised the changeover of the colony from the control of the
Selkirk estate. Of its former governor, Simpson had this to

7 Minutes of Council of Northern Department, 1821-
1831, ed. R. H. Fleming, Toronto, 1940, letter from Simpson
to A. Colville, Sept. 8, 1821, p. 398.

8 Ibid., letter to A. Colville, Sept. 8, 1821, p. 394.
(The punctuation is Simpson's own.)
say:

"Mr. (Alexander) McDonnell, I am concerned to say is extremely unpopular despised and held in contempt by every person connected with the place, he is accused of partiality, dishonesty, untruth, drunkenness in short a total dereliction of every moral and honourable feeling;...he must discontinue."9

Now that the colony was under Company control, the Company Committee, in May, 1822, decided there must be a Governor of Assiniboia with six councillors to advise his decisions. Simpson, who was to superintend the colony, along with his other duties, said:

"Red River, at present I am sorry to say assumes more the appearance of a receptacle for freebooters and infamous characters of all descriptions than a well regulated Colony, there is no law or regularity every man is his own Master and the strongest and most desperate is he who succeeds best... The Population is now getting very considerable and such a mass of renegades and malcontents of all descriptions are not to be constrained without the assistance of civil and military power; I therefore conceive it to be indispensably necessary for its future welfare that a Code of Laws should be made, Magistrates appointed, constables sworn in and a small Military Establishment provided to give effect to the Civil Authorities and without something of this Kind in my humble opinion the Settlement cannot flourish... Mr. Garry...is decidedly of my opinion."10

In his one year as Governor, Andrew Bulger had the interests of the settlers at heart and guided them in their effort to be free of Company domination. He established the supremacy of the Council in the matter of Company complaints,


10 Ibid., p.394.
and both established and supported respect for the Council of Assiniboia. He also obtained, for the settlers, the right to deal directly with the Indians for personal necessities.\textsuperscript{11}

His successor, Robert Parker Pelly, and Sir George Simpson (in his winter supervision of 1823) completed the needed reorganization. Both were more interested in Company affairs than for those of the Settlement, but justice was always impartial.\textsuperscript{12}

The Council of Assiniboia, which governed the colonists of 1822, was divided into Districts with magistrates to preside over petty cases. The Quarterly court handled major ones and acted as a court of appeal. A customs duty of 7\textsuperscript{1/2}% - later only 4% - was charged the settlers. Finally a Recorder was added to provide legal status to the Council's decisions.\textsuperscript{13}

Bishop A. A. Taché, as late as 1862, reported to Governor A. G. Dallas:

"It is well known that these Nominees (for Councillors) are chosen among the most respectable and most intelligent of the place. Moreover, the Company has, even in this choice, evinced generosity,


as several of the Members of the Council have personal interests diametrically opposed to the commercial interests of the Company."

This would indicate that, even though the Council was an appointed one, it was as representative as the Company could make it.

Under efficient management, the Settlement began to increase in size and in usefulness to the Company. For the first time in 1823, and again more successfully in 1824, it supplied a certain amount of provisions to the Hudson's Bay Company. This was encouraging.

The Council, in 1841, set the radius of the colony as fifty miles from the forks of the Red and the Assiniboine rivers. This would take in the territory to the American border. A request from Portage la Prairie, in 1867, to be included in the jurisdiction of Assiniboia was regretfully refused, as the area would be too unwieldy for proper administration.

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15 Minutes of Council, Northern Department, 1821-1831, op. cit., p.xxix.
17 Ibid.
HUDSON'S BAY COMPANY'S ATTITUDE

The loss of Oregon, 1846, to the Company and to Britain, made the safety of the British Northwest Settlement at Red River a matter of concern. Britain, at Company request, sent out several companies of the 6th Royal Regiment of Foot, who supplied protection, trade opportunities and a reminder of Britain's interest to settlers who had been inclined to look to the United States for help. In 1846, after two years, they were recalled. The colony seemed healthy and safe.

The Company, however, was less fortunate with the fifty-six pensioners, under Major W. B. Caldwell - who also acted as Governor - who arrived in the colony in 1847. Major Caldwell's incompetency, both as Commanding Officer and as Governor, weakened the authority of the Hudson's Bay Company at a time when Canadians and Americans in the colony were challenging it. In defiance of established law, Pierre Guillaume Sayer and his métis friends, encouraged by access to American trade, in 1849 successfully flouted the decision of the court against free trade in furs. Dr. J. C. Schultz, Canadian editor of the newspaper, "The Nor'Wester", in another instance, refused to abide by court ruling as to a debt, and


managed to escape when subsequently arrested. The Imperial Government, as a result of complaints, petitions, and reports from various sources, in 1857 set up a Select Committee "to consider the State of those British Possessions in North America which are under the administration of the Hudson's Bay Company or over which they possess a Licence to Trade". This Licence was due for renewal in 1859, so the situation needed reviewing.

In July, 1857, the Committee composed of nineteen of the leading men of Britain, reported to the House of Commons after having examined twenty-five witnesses. Their suggestions were: that Vancouver Island be removed from Company control; that the Company be allowed to continue to enjoy the privilege of exclusive trade; but that permanent settlement should be encouraged in all suitable areas east of the Rocky Mountains.

It was understood that Canada was the logical choice for instigating settlement. W. E. Gladstone's motion, as a member of the Committee, that the arable section of the Company's holdings be at once removed from its control to

20 J. S. Galbraith, The Hudson's Bay Company as an Imperial Factor, 1821-1869, Toronto, 1940, p. 316,#16, Mactavish to W. G. Smith, Jan. 20, 1868.


22: Ibid.
that of the Imperial Government was defeated. If carried, it might have hastened the transfer of the land to Canada, and saved much time, expense and strong feeling.\textsuperscript{23} Canada's questioning of the right of the Company to claim ownership of its territory - and therefore compensation for its cession - seemed unnecessary and annoying to Company officials and employees.

However, the Company continued negotiations for the surrender of the territory, which the Imperial Government had initiated, because the area to be settled was proving more troublesome than remunerative to the Company. Since the Sayer trial the settlers were becoming more and more independent and evasive as the interests of Company and individuals inevitably conflicted in many fields. The close proximity of American trade centres led to keen competition in trade. Incoming Canadian and American settlers, as well as the métis - encouraged by the former North West Company to think they had prior claim to the land - were persistently testing Company strength and authority. Even the supply of provisions was interrupted by friction and by such reverses of nature as floods, frost or grasshopper plagues. The famine of 1868, for instance, cost the Hudson's Bay Company

at least £2500 in relief money,\textsuperscript{24} as well as the inconvenience of interrupted supplies of food. The Company also arranged with the War Office that pensioners in the Settlement be paid, through the Company's officials as usual, an advance of three months' pension to purchase seed wheat.\textsuperscript{25}

However, the Company, just as Canada, had specifications they wanted met before a transfer could take place. The Colonial Office did all in its power to find an acceptable compromise. This effort was made difficult, too, by the many changes in the office of Colonial Secretary with each change bringing a fresh angle to re-opened negotiations. These dragged on for thirteen years.

Henry Labouchère, Colonial Secretary in 1857, attempted to use the leverage of the forthcoming renewal of the Licence to Trade to persuade the Company to agree to plans for the transfer of land known as the Fertile Belt. This area, as described in the Company's Draft Deed of Surrender, was bounded on the north by the north branch of the Saskatchewan; on the south by the United States; on the west by the Rocky Mountains, and on the east by Lake Winnipeg, Lake of the Woods and connecting waters. In this territory


\textsuperscript{25} London Corresp. between H.M.Gov't. and H.B.C.,1869, A 13/16, p.169, Col.L. Shadwell to Secretary, H.B.C.March 15, 1869.
lay the fertile soil that should make settlement profitable. Labouchère almost achieved agreement, but Canada refused acceptance unless the validity of the Charter were to be tested. Neither Canada nor the Hudson's Bay Company would bring the question to trial, and the Company sacrificed its Licence to Trade rather than take a mere two-year renewal, which would undermine security, it thought.  

The next Colonial Secretary added the testing of the Charter validity to agreement terms, but Sir Edward Bulwer-Lytton was no more successful than Labouchère.  

The Duke of Newcastle, his successor, became keenly interested in the question of communication and transportation which, so Edward Watkin, railway promoter, assured him, was essential both to the development of the country and to the continuance of British ownership. The North West Transit Company enlisted the assistance of the Duke when they planned a road and telegraph communication from Canada to the Pacific coast. Governor H. H. Berens was horrified when the Transit Company asked the Hudson's Bay Company in 1862 to allow a five-mile right-of-way on either side of the proposed line. He wondered why, if the Company was so patriotic about


27 John S. Galbraith, op. cit., p.348-349.
protecting British interests, they did not buy out the Hudson's Bay Company and be done with it. At once the Duke asked him quietly, "How much?" and Governor Berens, with apparent spontaneity, answered, "About a million and a half."

Actually this opportunity allowed the Hudson's Bay Company officials to name a price for something they had wanted to sell for some time. They had been well aware of the changing times and the conditions which made settlers an increasing burden and fur-bearing animals more difficult to locate as they retreated from human proximity.  

The Transit Company did not accept the offer to buy, and Watkin was told by the Duke that the British Government would not bid for the territory, in face of the determined Parliamentary objection to further colonial expenditure.

Finally, in May 1863, Watkin persuaded the newly-formed International Financial Society to purchase the Hudson's Bay Company territory as one of its first two investments. The Society was composed of a group of leading English bankers.

28 E. W. Watkin, Canada and the States, London, 1887, p. 120.

29 J. H. Galbraith, op. cit., p. 368.


31 J. H. Galbraith, op. cit., p. 387.
The reconstituted Hudson's Bay Company had, as its Governor, Sir Edmund Head, former Governor-General of Canada, and three of its former Committee members — Eden Colville, George Lyall and Sir Curtis Lampson — were retained to give continuity to the policy and to direct its future activities. Sir Edmund Head assured the Colonial Office that the new Company planned to work for the speedy settling of as much of the arable land as possible. He looked to only part of the land being ceded, and hoped it would be possible to convince the shareholders the proposals for cession were to their advantage. "The Committee", he concluded, "fears the worst from what Her Majesty's Government suggest...The Company doesn't like complicated arrangements as a substitute for £1,000,000 at once". 32

The sale of the Company was unfortunate in some ways. The close co-operation between London and North America suffered because the "wintering partners, the Chief Factors and Chief Traders, who felt that they had been sold, without warning or consultation, like cattle, suffered humiliation and financial setback". 33 Formerly selective in its share-

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holders, the Company now put its shares upon the open market, at £2,000,000 valuation, and the Society itself, in June, 1867, held but 3000 shares. This changed the Company from a committee-controlled concern to one at the mercy of its shareholders, more or less. In 1866, for instance, the 1700 shareholders repudiated the declared policy of the Company by refusing absolutely to assist in any colonization scheme.34

The fur trade, apparently, did not suffer from the sale. The value of furs in 1861 was about £210,509 in sales. In 1864, it had increased to £262,869 and, thought Sir Edmund Head, it was likely that the 1865 sales would rise another £30,000.35 In the Canadian Parliament George Brown declared that the Company, to disguise its profits, smuggled through £280,000 worth of furs by way of James Bay.36

Governor A. G. Dallas was sent out to Rupert's Land as Governor to adjust and explain any difficulties of the changeover from the old to the new regime. He did his best, and received this commendation from the secretary of the Hudson's Bay Company in London:

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34 J. S. Galbraith, The Hudson's Bay Company as an Imperial Factor, 1821-1869, Toronto, 1940, p. 390.


36 Parliamentary Debates, 1870, (Can.) p. 103-104.
It is satisfactory to the Board to find that an improvement is contemplated in the mode of transporting goods in the Interior. They are aware that the portage brigades are, at best, a necessary evil; and any plan by which their services can be dispensed with or their numbers diminished will always receive the best consideration of the Board.  

However, his comment on his work a month later was:

The double office of Governor-in-Chief and Commercial Agent is one which no independent man would covet, and my views are that in the event of a transfer of the territory to the Crown, I should decline any Crown appointment if offered, continue to my best services in the re-establishment of the Company's business under a new organization.

Dallas felt discouraged about his services as mediator:

I had been concealing my contemplated retirement from the officers, solely with the view of encouraging a confidence which somehow they do not feel, and which I have exerted myself by every means ... in my power to establish.

Governor William Mactavish, successor to Dallas, found much the same state of affairs with the settlers. Writing to N. W. Kittson, he said:

I am aware you know what a ticklish business it is to serve Red River people and to get on with them.

37 Gov. A. G. Dallas, Correspondence, etc., 1865-67, D 8/1, p. 44, Fraser to Dallas, letter of May 19, 1864. H.B.A.-P.A.C.

38 Ibid., p. 45, Dallas to Thos. Fraser, June 25, 1864.

39 Ibid., p. 455.

This time of adjustment was an anxious one for all officers and employees of the Hudson's Bay Company. The London office was especially concerned that business be conducted as usual, for not only was the Rupert's Land transfer in the process of slow and precarious achievement but the Company was also involved in the settlement of the Oregon and the Puget Sound negotiations for compensation. So Governor Head found it necessary to remind Lord Russell of the Foreign Office that "a partial change has taken place in the body administering the affairs of the Hudson's Bay Company." 41 The 1867 purchase of Alaska by the United States removed the easy trading restrictions that the Company had experienced with Russia.

"The fur trade in that quarter near the Alaska border is we fear, excepting perhaps one or two districts, reduced to little more than a mode of remittance, and may possibly be still further restricted by the cession of Russian North America to the United States." 42

At this period, the relationship of the Hudson's Bay Company with its neighbour, the United States, was one of business convenience and cultural affinity. Problems of

trading, hunting, communication, food production and Indian relationship were common to Company country and the Western states. Geographical similarity and ease of reciprocal travel bound settlers together, usually.

With the American Fur Company, the Company's chief rival, the Hudson's Bay Company achieved a working agreement as to territorial rights. After the 1841 bankruptcy of the American Fur Company, petty traders, till then controlled by the two companies, became an expensive irritation. The Hudson's Bay Company usually managed however by paying higher prices, to out-wait the ability of small competitors to exist financially.

Norman W. Kittson, the most enterprising of these traders, was stationed at Pembina as fur trader for thirteen years, and did his part encouraging the restlessness of the Red River traders. After 1856, he remained in Minnesota, became mayor of St. Paul eventually, supplied a mail service between the Settlement and St. Paul, was the "commodore" of a string of steamboats on the Red River, and acted as forwarding freight agent and general purchasing agent for the Hudson's Bay Company for many years. 43

Governor Mactavish, governor of Rupert's Land and the Councils of the Northern and Southern Departments, worked closely with Kittson, finding his steamboat service most useful:

"The Steamboat 'International' leaves this tomorrow for Georgetown (Minn.) and takes on with her 399 Bales of Buffalo Robes the Property of Outfits 1864, 1865, and 1866. They have been entered at Pembina Customs for exportation in bond to Montreal."45

In 1870 it was still to Kittson that Donald Smith, for General Lindsay, wrote regarding provisions for the troops of Colonel G. W. Wolseley on their way to Red River. Kittson replied; assisting the Hudson's Bay Company in their share of the expedition:

"In my opinion it is unsafe to trust to Red River Settlement for any supplies in the way of provisions which may be required, beyond a couple of hundred beef cattle and possibly a small portion of flour...Beef cattle - up to three or four hundred - can be purchased in this state and driven to Pembina or Ft. Garry - take about six weeks."46

Transportation through the United States was an essential part of Company business. The Saskatchewan packages carried by Messrs. Burbank Bros. of St. Paul in

44 Gov. Wm. Mactavish, Corresp.Inward,1867-70, D 10/1, p.88, Mactavish addressed thus on a letter received by him May 20, 1868. H.B.A.-P.A.C.


46 Gov.-Gen's. Numbered Files,#12, G 21, Vol.1 (b) 1870-71, p.126. N.W.Kittson to Gen. Lindsay,July 21, 1870.
the autumn of 1866, came to a weight of 129,549 pounds.\textsuperscript{47}

Again, in 1868, Mactavish was told that the first lot of
Buffalo Robes carried in bond to Montreal from the Northern
Department (including the Red River Settlement) the preceding
autumn had sold for an average of \$7.95 a skin, making a
total of about \$96,000 for the Company.\textsuperscript{48}

Business relations with the United States were com­

bined with cultural interests. The Hudson's Bay Company over
the years sent out about one hundred boxes of historical and
natural specimens to the Smithsonian Institute in Washington.
Joseph Henry of the Institute in April, 1862, wrote to
Mactavish:

"We have learned with much plesasure of the organ­
izaton of the Institute of Prince Rupert's Land,
and I take an early occasion to say that any assistance
in the power of the Smithsonian Institution (sic) to
render will be cheerfully given to aid in carrying
out its objects...In compliance with your request
Professor Baird sent from Philadelphia a copy of
Pritchard's Infusoria, and I now write to beg that
you will accept it from us as a very slight return

\textsuperscript{47} Gov. Wm. Mactavish, Corresp. Inward, D 10/1,
p. 233, Mactavish to Kittson, May 14, 1866. H.B.A.-P.A.C.

\textsuperscript{48} Ibid., p. 83, letter to Mactavish from Northern
Dept., May 20, 1868.

\textsuperscript{49} Letters Received from J. W. Taylor, Jan. 25, 1870,
p. 7, (unnumbered).
for the many favors you have rendered the Institution and for which we are deeply grateful."

The usefulness and courtesy of American associations were in sharp contrast to the aggressive qualities of Canadian settlers in the Settlement, of official Canadian criticisms and demands, and of the often autocratic or unwarranted actions of individual Canadian representatives who appeared in Red River. Small wonder if Company officials were accused of lack of enthusiasm towards the forthcoming transfer.

J. W. Taylor, Special Agent of the American Treasury Department, reported on the situation in Red River from 1867 to 1870. His desire was to see British North West America join the United States. He reported clearly, in great detail, and with as accurate an account as his own opinions would allow.

He reported that Mactavish - by 1870 completing his twelfth year in a comprehensive position - found that his different responsibilities often conflicted. "He was," said Taylor, "a man of great integrity and discretion, but had not escaped censure to which he is very sensitive." He added, perhaps wishfully, "I have known Mactavish since 1859 and have observed that his aversion to Canada and Canadians has

50 Governor Wm. Mactavish, Corresp. Inward, D 10/1, p. 393, letter from Joseph Henry to Mactavish, April 1, 1862, H.B.A.-P.A.C.
been constantly increasing." \(^{51}\)

Certainly the officers of the Hudson's Bay Company seemed to exert remarkably little influence against the threat of American aggression and this negative attitude alarmed Canada and the Canadian party in the Red River Settlement. \(^{52}\) The Company also did virtually nothing to explain the coming transfer to the settlers.

The motion of William McDougall, Minister of Public Works, in the first session of Parliament after Confederation, 1867, for the implementation of Clause 146 of the British North America Act, was the first step in the final phase - lasting two and a half years - of the negotiations for the transfer of Rupert's Land and the North West Territory to the Dominion of Canada. \(^{53}\) Canada, in an Address to Her Majesty, expressed its willingness to accept the specified territory and to settle the Company's territorial claims after the annexation. \(^{54}\)

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51 Letter, Received from J. W. Taylor, Jan 25, 1870, p. 2-3, (unnumbered)


The Company was in no position to demur:

"It is well here to observe that the political power of the Hudson's Bay Company, very weak in itself, and at no time sufficient to protect the community against the commission of crime, by a proper administration of the criminal laws, had received a great blow by the passing of the British North America Act."55

The law officers of the Crown gave it as their opinion that the validity of the Charter, so Canada was informed, could not be successfully disputed. The Charter referred only to Rupert's Land, but -

"The Colonial Secretary rightly assumed that, so long as the 'North-West Territory' remained separated from the (not clear) by the possessions of the Hudson's Bay Company, Canada had no desire to assume any responsibility in regard to it."56

The transfer could only be effected by arrangement with the Company under the authority of an Act of the Imperial Parliament accepting the surrender of the territory. This was done by the Rupert's Land Act57 on July 31st, 1868.

The Company had previously expressed its concern about terms:

"The Committee wish in the first place to express the satisfaction with which they have learnt that Her Majesty's Government, whilst thinking it right to comply under proper provisions with the prayer of the Address to the Queen...desire to pay due regard to the interests of Her Majesty's subjects

56 Journals, House of Commons, 1867, p. 367-368.
57 Imperial Act, 31 and 32 Vict. c. 105.
already concerned in the Territory and with that view will be prepared to make provision for any reasonable terms which may be agreed upon with the Hudson's Bay Company."58

In October, 1868, the Committee, in correspondence with the Duke of Buckingham and Chandos, the new Colonial Secretary, named the terms—similar to those offered in 1860 to the Duke of Newcastle—which they would find acceptable. Assuming that Canada would recognize the Company's land sales, and that the control of the fur trade would continue as it was, it was suggested: that one shilling be paid for every acre sold or alienated by Canada in blocks of 5000 out of every 50,000 acres (or 1/10 of the land); that its common law rights to the land on which its posts stood should be acknowledged by its retaining 6000 acres about each post except Fort Garry, which should be 3000 acres only; and that the Company should share in the mineral rights up to £1,000,000.59

In the same letter, the Committee said:

"One of the chief inducements to their shareholders to accept the proposed arrangements would be that, according to the plan of the Committee, if, as it is hoped, the colonization of the Country proceeded rapidly under the new Government, the

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58 London Corresp. between H.B.C. and H.M. Gov't., A 13/15-16, p. 473, letter from Committee (Smith) to S. B. Adderley, May (no date), 1868. H.E.A.-P.A.C.

Company would receive blocks of land of moderate size in the vicinity of the new settlements which would possess an actual value in the market. The Committee are actuated by a sincere desire to arrive at an agreement with Her Majesty's Government, but they added that the shareholders were "thoroughly averse to any arrangement...which did not secure the payment as compensation of a sum of hard money."

They referred to their offer of "a million sterling".  

The Duke of Buckingham suggested, instead, a fourth share in all receipts, and five lots of 200 acres each in each township - he felt the 5000 acres might impede settlement. The land reservation around each post seemed reasonable, and he conceded the reasonableness of the mineral rights.  

Neither Canada nor the Company would agree to any terms brought forward, and the change of Government in Great Britain saw Lord Granville, the incoming Colonial Secretary, left with the Duke of Buckingham's unfinished business. Lord Granville, stating that it was up to the two groups to come to an agreement alone, finally despaired of an acceptable solution, and suggested his own terms, which were in the nature of an ultimatum: the payment of £300,000 and reservation to the Company of its posts and 1/20th of the

fertile belt; Canada to purchase the seventy tons of material purchased for the unrealized telegraph line, allowing for deterioration. The Company gained permission to claim, within 50 years, a section laid out beyond the present fertile belt in exchange for an equal part on the south or north bank of the Saskatchewan River.  

Although Canada realized the terms were as good as it could expect, the Company took time to consult its shareholders. It had also just elected Sir Stafford Northcote as Governor, so that there was need of careful Company re-assessment. The previous year Governor Mactavish of Rupert's Land had expressed concern:

"I need not point out to you that the administration of justice here affects the peace and order of the whole Country and that in consequence the question demands immediate attention...I still think some decided action should be taken at once towards establishing some sort of Government here which might satisfy the people and in any case would command their obedience to the laws. Circumstances here have so much changed of late from what was contemplated when the Company assumed the Government of the Country that it would be manifestly unjust to call on the Company to keep order in the Country...I would therefore strongly urge the absolute necessity, in the interest of all parties, that the authorities here should derive their powers from some source independent of the Company and that no Company's officer should be mixed with the Government."  

62 G 1 Vol.175 (1)June, 1869, Col.Sec. to Lord Lisgar Desp.#109, p. 73, Lord Granville to Sir John Young.

The new Governor and Committee could find guidance in this letter, as well as in continuing reports from various sources. In their answer to Lord Granville, the Committee expressed their continued willingness to co-operate:

"to promote the object, with a view to which this Company was reconstructed five and a half years ago, viz.: the gradual settlement of such portions of their territory as admit of colonization."

They add a statement of policy:

"Acting in accordance with the wish of the Government...the Company have (consistently) declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory with a view to their coloniza­tion and have kept the whole question in abeyance... In the whole of that time they have taken no step which could give rise to fresh complications or could place any new difficulty in the way of admission of their Territory into the Confederation when the proper moment should arrive."

Complications arising from the arrangements were foreseen:

"They (the Committee) cannot disguise from themselves the danger that exists in arrangements so complicated and involving so many topics for future discussions, as likely to lead to the Company's being placed in a position of antagonism to the Government of Canada and to the creation of a state of things

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65 Ibid., p. 28.
injurious not only to their own interests but to the welfare of the Country itself."^{66}

Before agreeing to the terms of transfer, Northcote was in contact with Sir G. E. Cartier, regarding Canada's viewpoint:

"First, what will be the position of the Company with reference to the territory lying outside the Fertile Belt (sic); and, secondly, what will be the nature and probable limit of the burdens which will be laid upon our property within that district?"^{67}

Other points he raised received sharp but business-like answers from Cartier, so that the Company reported to its Special Committee:

"Sir E. Cartier and Mr. McDougall had explained the system of municipal taxation to which the Company would be subject in respect to their lands. The Committee recommend the shareholders to accept the proposals, if Canadian Ministers will accept... modifications."^{68}

In the midst of these negotiations there had been the tactless occasion of the unauthorized roadbuilding by Canadian orders of Public Works Minister, William McDougall. As Northcote said:

"Their (Committee) objection is not to the road being made but to its being undertaken by the Canadian Government as a matter of right as though the Territory through which it is to pass were Canadian.

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67 Ibid., March 4, 1869, Northcote to Cartier, p.161-4.
68 Ibid., Report to Special Committee held March 12, 1869, p. 166.
Such a step...taken by a Government which openly disputes their title to this portion of them (Company's possessions) could not have been allowed to pass unchallenged without derogating from the Company's rights.\(^6\)

Reprimanded by the Imperial Government, and then, perhaps unfairly, by his own, Superintendent John Snow reported that he had "called upon Governor Mactavish in company with Mr. Mair and Dr. Schultz"\(^7\) on his arrival in Fort Garry.

The Hudson's Bay Company finally accepted the terms for the surrender of Rupert's Land on April 9, 1869, but William Mactavish claimed he had not, as late as November, received any official notification from either the Imperial or Canadian Government.\(^7\) He was, of course, instructed by his own Committee:

"I am directed by the Governor and Committee to draw your special attention to a subject of great importance to the Company's trade and to state that no time should be lost in making arrangements to meet the altered state of things which will arise from the transfer of Rupert's Land to the Government of Canada, the date of which has been fixed for the 1st of December next...With regard to sales of goods to Free traders, at Red River, it appears to the

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70 Ibid., p. 264, Feb. 8, 1869, letter from Snow to Minister of Public Works.

Board that an advance should at once be made in the ordinary tariffs to cover the amount of duty to which the Company and others will be liable on future importations. By adopting this course, the sales may be adversely affected for a time, unless they are already largely supplied, from profiting from the enhanced value of the goods remaining in the Country after the proclamation is made of its annexation to Canada...I am directed by the Governor and Committee to request you will communicate your views thereon for their information, and at the same time you will issue such instructions as you deem necessary to the officers in charge of Districts and Stations."72

In contrast with the Company's careful instructions, Bishop Taché reports his careless treatment by Government officials in Canada on his arrival en route to Rome in 1869. Left waiting for days for an interview, his "advice was not asked for as to the mode in which the government should be assumed or carried on."73

In spite of this, Mactavish and other officers of the Company probably adhered carefully to the letter, if not the spirit, of the law, as nothing seems to have been proved to the contrary. Although the new Canadian Governor, McDougall, made his appearance at the American border, having made no contact with Mactavish, Stoughton Dennis, on his staff, was

72 Governor Mactavish, Corresp. Inward, D 10/1,p.128, Smith to Mactavish, Sept. 10, 1869. H.B.A. - P.A.C.

able to report, "Governor Mactavish has decided to make an appeal to the people to obtain a large manned party to go down and escort you through." 74

On the 28th of October, Dennis reported that Mactavish had met Pere Ritchot and failed to move him from his hostile attitude to McDougall, though he had talked for three hours. 75

Mactavish referred bitterly to McDougall's accusations regarding his behaviour at this time, when:

"My weakness, at the period to which the above extract refers, was certainly so great that I believed it to be the precursor of death...I deny the charge of 'Imbecility', which I think might, with far greater justice be brought against Mr. McDougall and his party than against me and mine. I deny that our 'surrender of authority' or 'submission to orders' was more voluntary than the subsequent surrender of McDougall's own compatriots or the submission of that gentleman himself." 76

With such lack of rapport between Company and Canada, it is small wonder that Company officers failed to anticipate the unexpected outbreak of antipathy which accompanied McDougall's attempted entry, "which proclaimed the final

74 McDougall Papers, Red River, 1869-70, Dennis to McDougall, Oct. 27, 1869, p. 17-20.

75 Ibid., Dennis to McDougall, Oct., 28, 1869, p. 27-32.

76 Governor Wm. Mactavish, Corres p. Inward, D 10/1, #145, Mactavish to Howe, H.B.A.- P.A.C.
Downfall of law and order" and "took us completely by surprise." He continued:

"The impression entertained by many in Canada that the Company's officers desire to see settlement retarded is quite a mistake. These gentlemen are well aware that, for them, as for everyone else, residence among civilization is preferable to isolation from it, but being servants of the Company they also desire to see proper compensation made for interests destroyed. The fur trade must ever continue to be the only industry which can possibly be exercised over large regions of this territory, and in justice to the Indians it must be exercised under the control of the Government, whether by a monopoly or not. To the authorities in the United States the condition of partial anarchy, in which we have so long existed, has been a felt evil, in consequence of the facilities offered to their pursuit of justice. Hostile Indians and deserters from the American army, with their stolen booty, have only to cross our borders to be safe."78

Portage la Prairie's 'Government of Manitoba', established by the Canadian surveyor, Thomas Spence, in January of 1868, was in itself a protest against Company inability to maintain proper control of the district. Although Canada, appealed to for assistance, had no authority for providing this, tacit approval of this challenge to Company rule was expressed.79 England's refusal to recognize the

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77 Governor William Mactavish, Corresp. Inward, D 10/1, #145, Mactavish to Hoe, p. 167, H.B.A.-P.A.C.

78 Ibid.

'Republic' put an end to its existence, but the Company did not feel England had shown sufficient interest in the problems of the settled areas of Rupert's Land by this negative act. Mactavish expressed this opinion in a letter to Joseph Howe:

While taking exception to the (not clear) of Canada, we must not forget that the prime source of the evils under which we now suffer lies in England. Repeatedly during the past nine years have (not clear) been addressed to the Colonial Office both by the Hudson's Bay Company and the inhabitants of this settlement setting forth the unprotected condition of the colony against perils from without, as well as the inability of an unsupported magistracy to maintain order within. To such representations the Imperial authorities have been deaf."

It was under the auspices, though not the chairmanship, of Governor Mactavish that Louis Riel, as representative of the disorder within the Colony, was called to the Council meeting of January 25th to account for the decision of the métis to exclude the newly-appointed Governor, William McDougall. At the October 30th meeting of Council, the reports concerning the blockade forced Governor Mactavish to inaction as far as the plan to welcome McDougall was concerned, but he sent, instead, a letter to meet him at Pembina, the Hudson's Bay Company post, advising him to remain in American territory and informing him of the state of affairs in the colony.

80 Governor William Mactavish, Corresp. Inward, 1867-1870, #145, p. 167 H.B.A.- P.A.C.
Not until the métis had forced him to withdraw from the Company post did McDougall first contact Mactavish, the representative of the Company whose right to ownership of the area McDougall refused to recognize. This discourtesy was undiplomatic in the extreme. Needless to say, McDougall also found little to praise in Mactavish's conduct of affairs.

When, on November 2nd, Riel and his métis took control of Fort Garry, Governor Mactavish was powerless to do more than protest, since the Company's policy was government by consent of the governed, and it possessed no powers of control beyond the moral suasion now largely ineffective. Although the avowed object of the seizure was to 'protect' the fort, the officers were placed under some restraint, and about 120 men billeted within its walls. Mactavish's subsequent letter, of November 16th, to the French and English delegates in the Fort Garry Courthouse, deprecated the use of force, but accomplished little except to discourage English co-operation with the métis. 81

On the 23rd of November, the French party took possession of Company provisions, cash and books, and further restrained the movements of the Company officials. Aside

from meeting with the Canadian Commissioners, similarly placed under restraint in December and January, Mactavish had little opportunity to exercise his Company responsibilities. Indeed, he felt that the Company, having signed the Deed of Surrender on November 19th, it is true, he advised the delegates sent for his advice, "Form a Government for God's sake, and restore peace and order in the settlement", but refused to delegate what authority he possessed even though he knew himself to be a very ill man. 82

The London Committee of the Company had put at Canada's disposal the services of Donald A. Smith, the Chief Factor of the Company in Canada. Familiar with the country of the Red River, Smith was an invaluable choice to join the other Canadian Commissioners, Father Thibault and Colonel C. de Salaberry, as he could gain the attention of the English settlers. On his arrival, however, in December, he joined Mactavish in virtual imprisonment, as Riel had no intention of letting any of the Commissioners influence the settlers. Finally, due to the double connection with Company and Canadian Government, Smith was allowed to speak to a mass meeting by popular insistence. He and de Salaberry had occupied their enforced idleness by causing disaffection among many of the people of the community, and their words

82 Red River Miscellaneous Papers, 1869-79, E 9/1, p. 16, Reel 4-M-17, H.B.A.-P.A.C.
were received with respect.

When Riel, on promise of releasing Major C. A. Boulton, one of his prisoners, persuaded Smith to encourage the English to join with the French settlers, delegates were eventually selected to travel to Ottawa and, with the Canadian government, to effect the formation of the Province of Manitoba, according to the Bill of Rights based on the one drawn up by the Convention which had sent them.

Smith, on March 18, left for Montreal to confer with Governor Stafford Northcote, but on June 14th was instructed to return to Red River as President of the Northern Council "for the present year" and "to superintend the management of the Company's business". He was replacing Governor Mactavish who, having resigned on March 8th, had died two days after returning to England.

Smith, returning to Red River with the troops, was in time to take over the civil administration which Wolseley was not empowered to do, and to hand over to the incoming Lieutenant-Governor, Adams G. Archibald, the reins of government.

83 London Agenda (Meetings of Governor and Committee), p. 63, June 14, 1870, A 4/42.

84 Ibid., p. 53, March 8, 1870.

The Governor of the Hudson's Bay Company, Sir Stafford Northcote, had journeyed to Canada at the time of the visit of the delegates, but his intervention was considered unwise and unnecessary. Once the form of the Manitoba Act was approved, matters moved steadily forward. On May 7th, the Deed of Surrender was sent to the Colonial Office; on May 11th, the Canadian Government handed over the sum of $300,000 to the Hudson's Bay Company; on June 23rd the Imperial Government officially accepted the Surrender and by Order in Council, it was admitted to the Dominion of Canada, effective July 15th, 1870. After a two-month march, the Imperial and Canadian troops under Colonel Garnet Wolseley, made a peaceful entry into Fort Garry, following the withdrawal of Riel, O'Donoghue and Lepine to the United States. The resistance was ended.

Governor Northcote, while agreeing to the requested Company co-operation with the restoration of authority, stated the position of the Company:

"Will comply with Granville's wish to co-operate. The position in which the Committee consider that the Company now stands is simply that of a trading body, they believe that they are to be regarded as having parted with all their political rights and functions since the 1st of December, 1869, and they accordingly claim not only to be entitled to receive the stipulated purchase money ($300,000) with interest at five per cent from the 1st December but also to be reimbursed the charges to which they have been or may be put in respect of the administration for the losses which they have sustained or may sustain in
consequence of the existing disturbances."86

The losses, summarized in November, 1870, resulted in this report to the Colonial Office:

"The inventory of goods on hand at Red River was made up on the 1st June, 1869, and the Company's business was continued as usual until September, 1869, when the establishment at Fort Garry was seized. An inventory of the property remaining in April, 1870, was taken and there was found to be a difference for Outfit 1869 of £30,000 after making an allowance for the goods expended prior to September, 1869. Between that time and April, 1870, all business in the establishment was suspended and throughout the country it was more or less affected. The Company's losses directly and indirectly in consequence of the Red River Rebellion have been estimated by officers well able to form a correct opinion at not less than £70,000 for Outfit 1869."87

Lord Kimberley, the new Colonial Secretary, refused to admit any Imperial liability for these claims88 but offered, if the Company so wished, to inform the Canadian Government that the payment of the interest on the £300,000 to May 11, 1870, might be accepted as cancelling further claims.

The Company had to consider its shareholders, who had been "inconvenienced" by not receiving their share of


87 Red River Rebellion, Miscellaneous Papers, 1869-1879, #214, Lampson to Granville, April 19, 1870.

88 London Corresp. between H. B.D., and H.M.Govt., 1870, #464, Northcote to Rogers, Nov. 29, 1870.

89 Ibid., # 491, Northcote to Rogers, Dec. 17, 1870.
the purchase price in December 1869. It had also to consider the claims of its "wintering partners", who were told:

"We have further to inform you that the Fur Trade is not entitled to any portion of the £300,000 to be paid by Canada for the transfer of the Company's territorial rights. We may add however that while we cannot concur with you in thinking that the Trade will suffer from that Transfer, when it has once been fully carried into effect, and when a settled form of Government, able and willing to maintain order and authority and to protect life and property has been established, we should naturally look to the Chief Factors and Chief Traders to assist in the management and utilization of the Company's land, and in consideration of such services we would propose that they be allowed by the proprietors some share in its annual proceeds."\(^91\)

The uninterrupted conduct of the Fur Trade was also a Company responsibility as Mactavish pointed out:

"I do not pretend to advise, but, for some years to come, the sudden withdrawal of the Company's operation from any part of the Indian country will cause widely spread misery and starvation and the consequent disorders and embarrassment to the Government which spring from such scenes; nor can any other company than the Fur Trade be in a position for three or four years at least (though more probably for ten or fifteen) to supply the Indian tribes with the requisite regularity with those necessaries of life at present provided them. This is the secret of the Company domination - its existence is a necessity to the Indian. Autocratic power to be exercised as its whim may dictate it has none."\(^92\)

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90 London Corresp. between H.E.C., and H.M. Govt., 1870, #479, p. 21.

91 Governor William Mactavish, Corresp. Inward, 1869-70, #143, Committee to President of Council of Northern Department, April 12, 1870.

92 Ibid., #174, Mactavish to Joseph Howe, May 16, 1870.
However, the Company carried on, meeting its new requirements with the necessary adjustments and finding the change eventually worked to its advantage. The influx of settlers who bought land from the Company increased its revenues by millions of dollars. They also provided eager customers for the new form of Company enterprise, the large retail department stores which, under Governor D. A. Smith's expert guidance spread throughout the West. Meanwhile the fur trade continued unabated. In 1914, the Company disposed of 26,000 acres of farm land and town lots valued at about $600,000. This left, unsold, a remaining four million acres. Company dividends went as high as 40% for its fortunate shareholders.

The Hudson's Bay Company, relieved of the political and economic administration of the settlements in its territory, found new prosperity from the transfer of Rupert's Land to Canada.

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CHAPTER IV

SOME ASPECTS OF THE AMERICAN ATTITUDE TOWARD THE TRANSFER

During the decade of the 1860's occurred the greatest American interest and activity regarding the possible acquisition of part or all of British North America. When the new Dominion included British North West America in its plans, certain groups in the United States increased their activity. These groups included: members of the Johnson and Grant Administrations; Dakota Territory and Minnesota State citizens; the Radical Group of the Republican Party; and the Irish-American Fenian organization.

As early as 1787, John Adams, United States Minister to Great Britain had referred to "Thirteen governments... destined to spread over the northern part...", and, in 1869, Charles Sumner, Chairman of the Committee for Foreign Relations, said, "Even then the destiny of the Republic was manifest".¹

By many in the United States, Canada's separate existence was generally viewed "with an indifference at times amounting to benevolence",² and it was considered "doubtful

² Edward W. McInnis, The Unguarded Frontier, New York, 1942, p. 5.
whether at any time an appeal by Canada for annexation would have been accepted by a majority of the United States Congress". 3 But against this apathy was thrown the force of an "influential minority in the United States - surviving apostles of Manifest Destiny - who had been prophets and advocates of the Peaceful and mutually voluntary union of the two countries". 4

From the beginning of her existence as a separate country, the United States had been extremely aware of the continuing British possessions in North America. It was said:

"The American Revolution and the War of 1812 were both, in certain respects, the American response to the suspicion that England was bent on denying those opportunities for expansion on which their future depended, and Canada, in both cases, was directly involved in the issues at stake. 5

There was considerable sympathy for the people of British North America, as needing assistance to escape Britain's yoke. However, the unexpected resistance to offers of help, during these two wars, and again during the Canadian Rebellions of 1837, finally discouraged this attitude.

The United States was busy consolidating and enlarging her territories, by such means as the Louisiana Purchase


4 Ibid.

of 1803, and the acquisition of Texas in 1845 and Oregon in 1846. This made self-defence no longer a matter of vital concern. Also peaceful relations between the two major sections of the continent were improved by the 1815 renewal of the Jay Treaty (surrendering British posts for cancellation of mercantile debts), first signed soon after General Wayne's 1784 defeat of Indian power (which had been reputedly given British assistance), the 1817 Rush-Bagot Treaty (for the demilitarization of the Great Lakes), and the 1818 determination of the 49th parallel of latitude as the boundary line between the Great Lakes and the Pacific. Nevertheless:

"Ever since pre-revolutionary days frontiersmen from New Hampshire and Kentucky had been intermittently outspoken in their demand that the Indian tribes of the Northwest be ousted and that Canada be acquired by the United States. The Westerners' land hunger, a desire to obtain control of the British fur trade and above all the wish to destroy forever the alliance between the British and the Indians were principally responsible for this double demand."

Henry Clay, leader of the young "War Hawks" and originator of the American System of national self-sufficiency considered British North America a small obstacle to American northern expansion. In 1811, he had said, "I trust I shall not be deemed presumptuous when I say that I verily

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believe that the militia of Kentucky are alone competent to place Montreal and Upper Canada at your feet". By 1848 California and New Mexico had been acquired, Latin American countries were becoming independent, and the California "Gold Rush" was drawing attention to the undeveloped West. 1849 brought gold mining to California and, in the East, the Montreal Manifesto. This originated with a group of businessmen seeking annexation to the United States because of the commercial reverses caused by the British Repeal of the Corn Laws, in 1846. Although mainly the border states, anticipating increased trade opportunities and improved St. Lawrence navigation, were interested, President James K. Polk, a strong expansionist at heart, had special agents posted in the various Colonial capitals, to gauge the strength of the annexationist feeling.

Abbott Lawrence, United States minister to Great Britain had reported to Secretary of State Clayton, in 1849, that he believed "that the day of annexation...will be moved at an earlier date than is generally expected. and with the


consent of this (British) government". However, resulting surveys were unsatisfactory. Although B. H. Norton, United States Consul at Pictou, Nova Scotia, had "heard not one individual in Nova Scotia who wasn't in favor of annexation, Israel D. Andrews, in Montreal, reported, "If people had more brains and officials weren't corrupt, the future would be clearer". Colonial loyalty to Britain proved stronger than the lure of annexation at that time. The conviction grew that trade concessions would be wiser, for both countries, than annexation. The Walker Tariff of 1846, a reassessment of import duties, which increased the free list and lowered duties by 10%, benefitted the two countries, and Britain. The Reciprocity Treaty of 1854 provided still more advantages. Its abrogation, in 1866, was largely the result of strained relations between the two North American countries after the War Between the States.

The 1867 union of four relatively unimportant small colonies into one significant Dominion roused the United States to a sense of the need for concerted action of some kind if more territory was to be won. The 146th clause of

10 Ibid.
11 Ibid., #2087, p. 311.
British North America Act - making provision for the admission of Rupert’s Land and the North West Territory gave direction to that action. This project interested the Johnson and Grant Administrations, certain western states and those who saw, in the accession of part or all of British North America, a way to settle the Alabama Claims and rid the continent of British influence.

William H. Seward, Secretary of State in both the Lincoln and Johnson Administrations, persuaded a dubious Senate in 1867 to purchase Alaska (Walrussia)\textsuperscript{12} because he was convinced that once Russia yielded her territory in North America, Britain would soon do so too. Feeling sure that “Canada was busy building states for America”,\textsuperscript{13} Seward instructed Commissioner E. H. Derby of the Treasury Department to prepare two reports, one of which was presented as a letter in 1867 to Seward. In part, it read:

\begin{quote}
“\text{In 1852, before the Treaty of Reciprocity, our exports and imports in commerce with the British Provinces were...less than $17,000,000. In...1866...they exceeded $82,000,000. The average growth has exceeded 25 per cent per annum. Had the fiscal year terminated with March (1866), the whole amount would doubtless have been close upon eight millions of tons. The above exports, imports...}”
\end{quote}

\textsuperscript{12} 40th Congress, 2nd Session, Part 4, p. 3810.

\textsuperscript{13} James Morton Callahan, American Foreign Policy in Canadian Relations, New York, 1937, p. 302.
and tonnage exceed those in our commerce with any nation, except Great Britain."14

Part of this commerce was undoubtedly the exports from the Red River Settlement, and the Hudson's Bay Company. These were reported, by the Treasury Department, in 1865, to have amounted to $500,000 mainly in furs. The imports for the same district were valued at $1,000,000 that year.15

Derby discovered, from information received from Canada's Minister of Finance, that Canada's whole commerce for 1865 amounted to $87,000,000, of which $50,000,000 was with the United States.16 He also gave eight cogent reasons why Britain should release its colonies, thus winning the "love and gratitude of a continent by an act of magnanimity".17

He compared populations - that of United States, in 1860, of 31,738,821, with that of Canada, 2,501,888, and Nova Scotia, 230,699 - and pointed out that British North America was raising almost 1/5 of the American wheat crop and 1/3 of its oat crop. This desirable land yielded twice

17 E. H. Derby, op. cit., p. 32.
its proportion of wheat and three times its proportion of oats, potatoes and barley.\textsuperscript{18}

In 1867, the Treasury Department sent James Wickes Taylor, "greatest United States authority on the British Northwest",\textsuperscript{19} to the Red River district as Special Agent, to report and to advise, the State Department, regarding"the progress of American interests and institutions west of Lake Superior".\textsuperscript{20}

At that time, Taylor felt that "by treaty stipulations and concurrent legislation it seemed possible to work out the mutual destiny of the American states and the British provinces".\textsuperscript{21} To this end, "he worked actively in the cause of voluntary union",\textsuperscript{22} and on November 26, 1867, reported that "the voluntary annexation of the British Northwest was nearer than had been supposed," and that "there was an area

\textsuperscript{18} E. H. Derby, Relations of the United States with the British Provinces, p. 10.


\textsuperscript{20} J. W. Taylor, Letters, to Seward, March 14, 1868 last page, unnumbered.

\textsuperscript{21} Taylor, Relations Between the United States and Northwest British America, House Exec. Doc., 36th Congress, 1st Session, #96 (Serial 6057).

\textsuperscript{22} G. F. G. Stanley, \textit{The Birth of Western Canada}, London, 1936, p. 59.
large enough to make five states equal in every way to Minnesota". 23

His 1869 reappointment, reporting to the new Secretary of State, Hamilton Fish, extended to August, 1870. His instructions, now more explicit, included reports on political and commercial developments, and on possible communication routes. 24

The 1866 abrogation of the Reciprocity Treaty exerted a certain amount of commercial pressure on the British possessions, and also expressed the growing dissatisfaction of the northern States for suspected Canadian interference during the Civil War.

Another result of the War's conclusion was the number of trained soldiers released from service, many near the International border, and in proximity to the recruiting centres of the Irish-American Fenians. This group of active Anglophobes, the Fenians, felt that, in attacking Canada, Britain would suffer; it might even be possible to remove the British flag entirely from North America. "General" John O'Neill and his forces were most active from about 1865 to their last raid on Pembina, (H.B.C. post) in 1871, and their

23 J. W. Taylor, letters, November 25, 1868, 4th (unnumbered) page.

most outstanding achievement, perhaps, was the formation of
the strong, united front presented by outraged Canadians.
However, during this period, the Fenians played their role
in border activities.

Fenian disturbances caused a war of nerves, for there
was the constant danger of border disturbances that might
precipitate war between Canada and the United States. The
movement was insidious, inasmuch as it appealed to those who
disliked Canada, to those, especially in the Republican
Party, who valued the large Irish vote in the United States,
and to those who sympathized with the Fenian hatred of
Britain. Fiery speeches were heard in Congress, in spite of
House Bill, #806, (May 24, 1870), threatening fines or im­
prisonment or both to those who violated neutral relations.25
Senator Ancona of Pennsylvania, referred to the fact of "the
Irish having shed their blood in defence of our flag in
every battle of every war in which the Republic has been
engaged".26

Charles Sumner, Chairman of the Foreign Relations
Committee, said, "The greatest trouble, if not peril, being
a constant source of anxiety and disturbance, is from Fenian­
ism, which is excited by the proximity of the British flag

25 Cong. Globe, 39th Congress, Parts 4-5, p.3085 and
4193-97.
26 Ibid., Part 4, p. 3548.
in Canada". He used this statement in his ultimatum in 1870 as a premise for saying that the withdrawal of the flag must be a preliminary to any treaty discussions (by which he referred to the forthcoming Washington Conference).  

When Hamilton Fish accepted the post of Secretary of State for the Grant Administration, he realized that the United States would have to exercise more supervision over Fenian activities than had his predecessor, Seward, whose state, New York, was strongly pro-Fenian.  

Mr. Fish warned Sir Edward Thornton, British Minister to Washington that, although he would have Fenian proceedings carefully watched, legally the United States could not be held responsible unless there was an overt act of aggression.  

This Thornton acknowledged, and following the raids at Niagara, from St. Alban's, Vermont, and the more ambitious one at Pembina, he thanked America formally for co-operation in


arresting the leaders. 30

Thornton, in his reports to the Imperial Government, showed the changing American attitude:

"...at an interview which I had with Mr. Fish on the 30th Ultimo, I took an opportunity of expressing unofficially the hope of Her Majesty's Government that the arms recently taken from the Fenian raiders would be confiscated or destroyed. Mr. Fish replied that no final decision had yet been come to as to the disposal of these arms, but he thought that there was no danger whatever that they would be returned; he himself had suggested that they should be burnt." 31

On August 29th, 1870, Thornton reported to Lord Granville:

"Mr. Fish assured me, though unofficially that the President would listen to no such reasoning" (O'Neil's Senate had promised, in 1866, not to use the returned arms, but had exchanged them for others, so this time the arms would not be returned, even though O'Neil said the Senate had not authorized their use) "and that the arms would in no case be restored. He added that the Government of the United States had been put to very considerable expense on account of the late attempt of the Fenians; that the accounts were now coming in and would probably amount to upwards of $100,000." 32

The communication concluded with a comment on American public opinion regarding the Fenian activities:

"Now their conduct was looked upon by the people of the United States as contemptible and ridiculous and met with no sympathy anywhere, but if the Fenian


31 Colonial Secretary (Confidential & Secret) to Governor-General, #296, July 4, 1870, Thornton to Sec of State for Foreign Affairs.

32 Ibid., August 29, 1870, #365, Thornton to Granville.
leaders were retained in prison, they would be regarded as martyrs, and agitation would be renewed among their countrymen."

Fortunately for the outcome of the transfer of Rupert's Land to Canada, the Fenians were slow in reaching the West, though Louis Riel's righthand assistant, W. B. O'Donoghue, later tried to enlist Fenian assistance to overthrow Canadian rule. However, the Pembina raid was very promptly controlled by the American Government and the power of Fenianism destroyed.

American settlement was steadily moving westward: to Oregon and California in the 1840's; to Minnesota in the 1850's - a state, by 1858, it had a population of 172,023 by 1860: to Dakota, a Territory in 1861 and to become a State by 1885; to Montana next, where its famous "Whoop-up Trail" from Benton City to Fort McLeod in future Alberta carried an annual freight load of 15,000 tons, of which 20% was bound to or from Canada. To these settlers, British Northwest America was important.

Half, approximately, of the State of Minnesota had once been part of the Hudson's Bay Company grant to Lord

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33 Colonial Secretary (Confidential & Secret) to Governor-General, #365, Aug. 29, 1870, Thornton to Granville.


35 Ibid., p. 166.
Selkirk. The 1818 boundary decision had divided the land at the 49th parallel of latitude. History, geography and commerce made the connection desirable and advantageous to both sections. The Company control and supervision of the fur trade, Indians and missions gave Minnesota a security that assisted its development. As early as 1849, Alexander Ramsay, the state's second governor, had visited the Red River area and reported favourably on its possibilities. Many Minnesotans had moved into the district, probably expecting it soon to be made American territory. These adventurous settlers, within fifteen years of their arrival, blended well with the existing population so that "they sustain personal and business relationships with all classes, and have proportionate influence." 36

St. Paul, Minnesota, became the mecca for the trade of the settlers of the northern area. For the Hudson's Bay Company traffic also, trade was almost completely diverted from the York Factory and Fort William routes. In 1860, for instance, a June delivery of mail from Fort William consisted of four newspapers, while a delivery from St. Paul had carried 252 letters and 230 newspapers. 37

36 J.W. Taylor, Letters Received by the Dept. of State from the Agent for Red River Affairs, November 25, 1867-August 17, 1870. Letter of January 20, 1870, to Fish, p. 10. Following quotes given as "Taylor, Letters".
The Hudson's Bay Company set up banking, transportation trade arrangements with the State of Minnesota. The prairie trails with their Red River carts, and the dismantled Mississippi steamers assembled again for the Red River trade, brought $2,000,000 in trade from the Company alone, as well as what it carried for British Northwest America. The Company established ship-building headquarters at Georgetown, Minnesota, made N. W. Kittson its American purchasing agent, and arranged to have its exports carried in bond through the United States. George Simpson, the Company's Governor, was on most amicable terms with the State's first Governor, H. H. Sibley. Co-operation between the United States and the British Northwest operated to mutual advantage.

Optimists thought the time was right for annexation. Britain's desire to be rid of colonial responsibility was at its peak in the 60's and every sign of an opportunity to acquire the territory was seized upon by the expansionist element in the United States. Fish and Grant even suggested the population be allowed a plebiscite on the question. A Bill introduced, on lines suggested by J. W. Taylor,


by Nathaniel P. Banks, Chairman of the Committee for Military Affairs on July 2, 1866, for the Admission of the States of Nova Scotia, New Brunswick, Canada East and Canada West, into the Union, and for the organization of the Territories. This was given two readings, given to the Committee on Foreign Affairs for Study, and never heard of again. 41

Perhaps this was because of the first term that suggested the consolidation of the debts of the four provinces—$70,000,000 for 4,000,000 people— with that of the $2,000,000 debt for 35,000,000 Americans. To equalize the debt would cost the United States $200,000,000 although it would, eventually, enlarge the country's revenue. Taylor, strongly suspected of being the instigator of the Bill, urged:

"Annexed to the United States this generation will find all its resources doubled but dragging out a dependent and precarious political life under Confederation what they now have will scarcely escape depreciation." 42

Other terms of this Bill included: the enlargement of the St. Lawrence River canals to 1500 ton vessel capacity; the construction of a Northern Pacific Railroad to the Pacific coast, and assurance to the western territories of

41 Congressional Globe, 39th Congress, 1st Session, July 21, 1866, p. 3548.

the usual legislation for the support of frontier communities.  

In December 1867, Governor Ramsay, (now Senator of Minnesota), introduced a set of resolutions asking for a new reciprocity treaty with Canada. He proposed that this should be granted on condition that Canada cede to the United States the territory west of 90 degrees of longitude. For this the United States should pay an indemnity of $6,000,000 to the Hudson's Bay Company, and give assurances of a railway, and of the formation of at least three territories similar to Montana.  

Following this, in March, the Minnesota Legislature submitted a Memorial to the Senate, expressing satisfaction with the purchase of Alaska, but great dissatisfaction at the fate of the Red River district, about to be coerced into joining Canada. It was suggested that the cession of the territory to the United States be used as a prelude to reciprocity.  

Two years later, Senator Zachariah Chandler, Chauvinistic Republican leader, asked that the President might send

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43 Congressional Globe, 39th Congress, 1st Session, July 21, 1866, p. 3548.

44 Ibid., 40th Congress, 2nd Session, December 9, 1867, p. 79.

45 Ibid., March 6, 1868, also see James Morton Callahan, American Foreign Policy in Canadian Relations, New York, 1937, n. 22, p. 300.
agents to Red River to report and to work for annexation. All of these resolutions were referred to the Committee on Foreign Relations.

These resolutions were given to the Committee for Foreign Relations for study. The Chairman of the Committee was Charles Sumner, who had held this position in the previous Administration also.

The Grant Administration came to power in 1869 with a sense of their country's limitless ability, but it was unfortunately in the hands of mainly incompetent men:

"The nation had emerged from the war conscious of titan strength; it had placed in power a highly popular leader; industrially and agriculturally it had made giant strides under the most adverse circumstances; the recent fears of financial convulsion had vanished; before it stretched a boundless future. Canada was viewed the most longingly, but Cuba and smaller islands were also eyed greedily."47

Three men guided the policy of the Government. President Ulysses S. Grant, outstanding in war but not as capable in administration, was given to enthusiasms and "no one knew him so well that he ceased to be a little of a puzzle".48 Though President Grant considered that a war with Great

46 Congressional Globe, 40th Congress, 2nd Session, December 9th, 1867, p. 79.
48 Ibid., P. 132.
Britain over Canada would be "short, glorious and delightful". 49 Charles Sumner, Chairman of the Foreign Relations Committee, hoped for the acquisition of the British provinces by peaceful means, strongly favouring the proposition that Britain should cede the provinces in exchange for the cancelling of the Alabama Claims from the Civil War. The third - and eventually most influential - member was Hamilton Fish, the Secretary of State, who had hesitated to accept the proffered post because of his inexperience. However, it was his wise and balanced judgement that controlled his expansionist president and his ambitious friend Sumner, who aimed to remove British influence from the continent.

Senator Sumner had been consistent in his opposition to Britain through two administrations, and his forceful style was most convincing. It was he who had suggested the young and talented John L. Motley for the post of American Minister to Great Britain. Motley had been informed, by the Government, that his task was to work for the settlement of difficulties between Britain and the United States, but he relied strongly upon the advice of his mentor. This eventually, because of his belligerent attitude, led to his recall and threatened the uneasy peace between the two countries.

Motley had commented to Sumner on his report of a June meeting with Lord Clarendon, "I can bring on a war with this country, or at least a decided rupture, in a very few days' notice". To this startling statement, Sumner replied that he was determined that the cession would be a peaceful one. "Such consummation," he said, "would place our Republic at the head of the civilized world."

Sumner exerted a strong influence not only upon the brilliant historian, Motley, but upon his government and his president, and few could resist his impetuous rhetoric. Hamilton Fish, his personal and even political admirer, disagreed with his attitude toward Britain. It was somewhat of a relief to him when Sumner's strong disapproval of President Grant's desire to annex the Dominican Republic lessened Sumner's influence. It broke the force of his accusation, in his 1869 rejection speech concerning Johnson-Clarendon agreement, that Britain was responsible for at least half the cost of the Civil War.


51 Ibid., p. 210


53 Ibid., p. 204, speech of April 1869.
President Grant was still of the opinion that "If Sheridan couldn't take possession (of Canada) in thirty days, he should be cashiered."54 Secretary Fish, however, in the autumn of 1869, aimed to "invite reasonable British advances and keep President Grant in a receptive mood, while restraining Senate from demagogic meddling".55 He told Sumner firmly to stick to law and avoid sentimental grievances.56 He thoroughly disagreed with his method of intimidation by "Threatening speeches and ominous silences"57 which he considered unwise, unfair to Britain and unlikely to obtain Canada for America".58 Sumner's 1870 ultimatum, regarding the necessity for the cession of Canada to precede the Washington Treaty talks, was discounted by Fish's careful prescreening of Senate opinion.59 Subsequently, Fish replaced Sumner as Chairman of the Foreign Relations Committee.60

55 Ibid., p. 296.
56 Ibid., p. 174
57 Ibid., p. 218
58 Ibid., p. 298, quoting Fish's Diary of December 16, 1869.
60 Ibid., p. 347.
With Sir Edward Thornton, British Minister to Washington, Secretary Fish maintained cordial, though not intimate, relations. Thornton was carefully sounded out as to Britain's attitude toward her colonies, and replied that although England did not wish to keep Canada, it could not part with it without the consent of the population. Benjamin Moran, Motley's secretary, reported from London, "The people here are opposed to the transfer, but the government is not, provided the people there, or any respectable portion of them, desire it." 

In January, 1870, when the Red River Resistance was active, Fish again approached Thornton, asking if this was not a good time for separation from Britain. Thornton's answer was, "I think it must come before very long".

However, Fish, who believed in conciliation and Canadian voluntary independence, knew that England was the last power on earth to yield to pressure as a reason for territorial cession, and that wars with Britain were apt to be long, involved and costly. Fish inclined to the belief

61 Allan Nevins, Hamilton Fish, The Inner History of the Grant Administration, New York, 1936, P.300, quoting Fish's Diary of December 23, 1869.

62 Ibid., p. 398.

63 Ibid., p. 385, January 6, 1870 interview.

64 Ibid., p. 218.
that reciprocity with Canada would be wise, but "how could Canadian reciprocity be dealt with by Congress when important Congressional leaders had their hearts set upon Canadian annexation". 65

It was the combination, perhaps, of the Alabama Claims, Canadian Confederation, avid advocates of the expansionist theory as applied to the British provinces, the post-reciprocity Treaty commercial conditions, the Fenian propaganda and activity, and the eager eyes of western land-seekers that made the question of the transfer of Rupert's Land such an absorbing subject to certain groups. To the frontier inhabitants in Minnesota the future seemed very certain, especially when the Metis of Red River Settlement, under Louis Riel, refused to allow their prospective Governor, William McDougall, to enter the territory.

J. W. Taylor, in a series of letters to the State Department, enclosed newspaper clippings, "firsthand" accounts and copious details of events. These were meticulous in detail but naturally optimistic about eventual American success. In these letters he gave full account of the Settlement, the Hudson's Bay Company's position, the activities of the "Canadian party" and the emissaries of the Canadian Government who came to build roads, to survey or to govern.

65 Allan Nevins, Hamilton Fish, The Inner History of the Grant Administration, New York, 1936, p. 213.
The American Consul at Winnipeg, Oscar Malmros, took an intense interest in the progress of the Resistance. He reported to the American State Department in September that there was a strong movement to resist the entrance of the new Governor, William McDougall, and that with a bit of assistance from the North Western States, the settlers might break from British control, and within two years, all the British colonies would apply for union with the United States. 66

On November 27, Begg reported:

"This evening an assurance was given by Mr. Riel to Mr. Bannatyne in presence of General Oscar Malmaros (sic) Mr. H. S. Donaldson and others to the effect that the French would agree to meet the English side on equal terms in forming an executive council to lay the claims of the people before Canada and that in the meantime the H.B.C. (sic) rule should be recognised by all as the government of the country and as such supported by all." 67

In spite of the efforts of such English-speaking colonists as Bannatyne, the Postmaster, A. Begg and H. McKenny, the Sheriff, to hold the settlers to a common plan, this agreement did not last.

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66 G. F. G. Stanley, The Birth of Western Canada, London, 1936, p. 591, quoting from letters written to J.C.B. Davis by O. Malmros, September 11 and November 6, 1869, found in MSS Consular Despatches from Winnipeg, Vol.1, Department of State.

67 W. L. Morton, ed. Begg's Journal and Other Papers, Toronto, 1956, entry of Saturday, November 27, 1869.
Begg, in January, shows the influence of Malmros is still in evidence; though unpopular with many:

"The American Consul has been trying to get Riel to take in Major Robinson as Secretary and H. S. Donaldson as Adjutant - but so far without success - a pretty kettle of fish indeed. It only needs Stutsman as Comptroller of the Revenue Department and Cavalier Postmaster General to make the thing complete - eh bien! we will see what we will see." 68

The other Americans active in the interest of annexation were the ones previously mentioned - Enos Stutsman, Treasury Department agent, and C. T. Cavalier, leader, with J. Lemay of the Dakota metis - and N. W. Kittson, founder of Pembina, fur trader and local representative of the Hudson's Bay Company, and Jay Cooke, railway promoter. The residents of the bordering American territory were busy forming military companies for safety against dreaded Indian uprisings.

Pembina, in Dakota Territory, and St. Paul, Minnesota, provided asylum for "Governor" William McDougall and his staff from the first of November to the middle of December, 1870, while they were still attempting to anger British territory. This paid accommodation was finally begrudged so much - owing to McDougall's surly attitude, his outspoken criticism of alleged American assistance to the rebels, and his indifference to the danger arising from

the enlistment of Indians by his assistant, Stoughton Dennis - that McDougall finally left for Ottawa. He rightly despaired of ever assuming his new office in the settlement.69

When Canada's commissioners, Father Thibault and Colonel Charles de Salaberry, approached the West, American agitators urged Riel to refuse entry to them also, since McDougall's rebuff had established a wise precedent. However, this advice was disregarded.70

A few of the Americans in the Red River Settlement may well have expressed Fenian sympathies and certainly annexation seemed inevitable to them. The American section was very willing to observe and advise. Enos Stutsman moved into the Settlement for a few days to encourage annexation, but with no tangible result.71 What the Americans did not understand, perhaps, was that though the Resistance was against Canadian domination, it was not anti-British, and the hope still persisted that, as a possible Crown colony, the Settlement would be better off than as a small adjunct to a large country. However, the rights of American citizens were recognized in the choice of Alfred Scott, an American

71 Ibid., see p. 165, 176, 180, 192.
settler, as a delegate to present his compatriots' viewpoint to the Canadian Government in May, 1870.72

The delegates had left for Canada and the arrival of British and Canadian troops was expected in the colony. The United States, as a whole, viewed with alarm Canada's plans for coping with the insurrection in the West. Transit to troops wishing to use the Sault Ste. Marie canal was refused, but the troops led by Colonel G. W. Wolseley and 1200 strong, proved that the old Dawson overland route was still feasible for travel for armed forces, though perhaps not for commercial use. No other formal restraint was applied, though it was hoped the outcome would be favourable to annexation to the States, of all or part of the area.

The peaceful reception afforded the arrival of the troops, and the flight of Riel and O'Donoghue, together with the acceptance of the proposed Manitoba Bill, gave no excuse for American interference in a quarrel that was in effect of a purely domestic nature, within the British jurisdiction.

So "annexationist sentiment hung its diminished head", and, "crippled in the East by Fenianism, the annexationist movement was simultaneously extinguished in the West".73

73 Allan Nevins, Hamilton Fish, The Inner History of the Grant Administration, New York, 1936, p. 395, for both quotes in this paragraph.
The Treaty of Washington, in 1871, "marked the end of one period of Canadian-American relations and inaugurated a new day and placed in the way of adjustment all disputes then existing between the United States and Great Britain", 74 and recognized, for the first time, Canada's entity as a nation. It cancelled the Fenian losses roughly with those of the Civil War complaints of Vermont, and gave America satisfaction for the Alabama Claims and Canada compensation for American use of its fisheries. Its forty-three articles of agreement ended an era of stress. 75

However, the late Governor Earl Long, of Louisiana, proved that an idea can seldom be lost. Commenting on the American acquisition of Hawaii in 1959, he was reported to have said, "I'd rather have Mexico and Canada. They're right in our own back yard." 76

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CHAPTER V

SOME ASPECTS OF THE ATTITUDE OF THE RED RIVER SETTLEMENT

Political pawn in a battle of expediency, the Red River Settlement yet managed, belatedly but energetically, to make its voice heard in the disposition of its future.

The Hudson's Bay Company had, for almost fifty years, ruled the colony by means of the Council of Assiniboia. In this Council the population was given only courtesy consideration in the Company appointment of Council members. When the transfer took place, the Settlement was forced into premature nationhood in deciding its response to the changeover of government. Half, roughly, of the population favoured cautious acceptance of the transfer. The other half, the métis, feeling there was much at stake, took direct action. Based on the disciplined organization of the buffalo hunt, the Provisional Government presented the only semblance of formal opposition to the plan.

The legality of the Provisional Government, and the ability it possessed to represent the views of all the inhabitants, is open to question. However, it must be evident that the force of its activities and the terms of its Bill of Rights exerted impressive influence upon the provisions for the inclusion of the Province of Manitoba, which entered the Dominion of Canada in July, 1870.
The original inhabitants of this area, the Crees and the Assiniboins, had met the white man as early as the seventeenth century, finding in him the purveyor of useful tools and weapons, and the purchaser of superfluous furs. Henry Kelsey, of the Hudson's Bay Company, seems to have reached this part from Hudson's Bay as early as 1690. La Verendrye, from the eastern New France colony, had built Fort Rouge on the present site of Winnipeg in the 1730's, and his coureurs de bois had bargained with the Indians trading with the English posts. After the British conquest of New France scarcely a year interrupted the visits of English, as well as French, traders to the West. They came from Montreal, and by 1784 many of these had united under the name of the North-West Company. Competition with the Hudson's Bay Company traders became both extensive and intensive.

Employees of the North-West Company had travelled the route past Lake Winnipeg to the Saskatchewan, and many had settled along the way with their Indian wives. Their children claimed the privileges of both branches of their inheritance which, on the distaff side, meant a share in the Indian proprietorship of the land.

The first organized settlement in the area was that of Lord Douglas Selkirk, who, in 1811, received a grant of 116,000 square miles from the Hudson's Bay Company, of which he was a stockholder. He planned to provide a new home for
the rehabilitation of displaced Scottish crofters.

To the Hudson's Bay Company, the settlement may have been popular for two reasons. Its strategic position would hamper the western progress of the North-West Company. Crops from its presumably fertile fields might replace some of the provisions that had heretofore been procured, expensively, in Europe.

Those stockholders who objected to the grant had a justifiable premonition of trouble, in the 8th section of their formal protest:

"8th. Because your memorialists do not perceive that in making such a grant according to the terms expressed in the agreement to be entered into, sufficient regard is had to the difficulties in the way of carrying it into effect, or to the sacrifices which the Company may be called upon to make."\[1\]

The grant was not delayed by any such considerations. In 1812, Lord Selkirk sent out, under Miles Macdonell, the first group of British subjects, to become settlers, or Company servants.

The land known as the Selkirk Settlement, was defined:

"Beginning at the western shores of Lake Winnipeg, at a point on 52 deg. 30' north latitude, and thence running due west to Lake Winnepnegois, otherwise called Lake Winnipeg; thence in a southerly direction through said lake, so as to strike its western shore in latitude 52 deg.; thence due west to the place where the Red River, otherwise called the Assiniboine River;"

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thence due south from that point of intersection to the heights of land which separate the waters running into the Hudson's Bay from those of the Missouri and Mississippi Rivers; thence in an easterly direction along the height of land to the sources of the River Winnipeg, meaning by such last named river the principal branch of the waters which unite in the Lake Saginagas; thence along the main stream of those waters, and the middle of the several lakes through which they flow, to the mouth of the Winnipeg River, and thence in a northerly direction through the middle of Lake Winnipeg to the place of beginning, which territory is called Assiniboia."

Selkirk, who had made a token payment of ten shillings to the Company for his land, also made a treaty with the Indian tribes of the district. To each of the Cree and the Saulteaux Nations he promised a quit-rent of 100 pounds of good merchantable tobacco each year. He promised the Company to bring out one thousand families in ten years; to set aside one-tenth of his land for the families of Company employees; and to bring out, with his settlers, a quota of servants for the Company.

The British settlers who now arrived yearly found themselves in the unhappy position of being "in the centre

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2 A. Begg, History of the North-West, Toronto, 1894, I, p. 163.
of the American continent, 1500 or 1600 miles in direct distance from the nearest city residence of civilized man in America, and separated from the country whence they came by an impassable barrier. Famine, cold, Indian enmity, and lack of subsistence crops drove them from their homes to Pembina during two successive winters. How could they believe the promises of Selkirk, based on the information supplied him by Macdonell's brother? He had reported:

"The soil on the Red River and the Assiniboine is generally a good soil susceptible of culture and capable of bearing rich crops", and "the buffalo comes to the fords of the Assiniboil (sic) besides, in those rivers are plenty of sturgeon, catfish, goldeyes, pike and whitefish - the latter so common that men have been seen to catch 30 or 40 apiece while they smoked their pipes."

To their discouragements had been added the efforts of the North-West Company employees, first by peaceful persuasion, then by force, to dislodge the obdurate settlers. Chief Factor Colin Robertson, entrusted with the task of re-establishing the colony after its first dispersal, wrote of a visit in 1814:

"After the frequent conversations I have had with all parties on the subject of the Red River Colony, I am inclined to think that the dissatisfaction on the part of the Settlers has in a great measure been owing to bad management, and that at this moment, there is a greater chance of the

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6 J. J. Hargrave, Red River, Montreal, 1871, p. 73.

colonists becoming Indians, than the Indians colonists. There seems to be a clashing of Interests between the Colony and the Hudson's Bay Traders; and as far as I can learn the Traders derive considerable advantage from these poor people in the purchase of provisions; and in place of the Settlers turning their attention to agriculture, they fish in the Spring, and when the season is over go in pursuit of Buffalo. So habituated are they to this mode of Life that they had rather starve than cultivate the ground. In this unsettled state they stroll about the North West Forts; and these people who view the colony with jealous eyes, lose no opportunity of sowing dissension among these poor creatures, and indeed they are informed that they have been kidnapped from their homes, and now neglected in this country, where the Indians will massacre them. To avoid this, they offer Canada as an asylum to these deluded men."

The North-West Company, to incite the métis, who acted as voyageurs and guides to action against the settlers, avowed that they, as part Indian, were being deprived of their own land.

In 1816, the death of the colony's leader, Governor William Semple, during the North West Company attack, together with the many other manifestations of conflict between the Hudson's Bay Company and the North West Company, led to pressure being exerted by both British and Canadian Governments for the cessation of strife. Lord Selkirk's death in 1820, hastened agreement between the two companies, which

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8 Colin Robertson, Diary, 1814-1817, Misc.Records, E 10/1, entry of Sunday, October 9, 1814.

9 G. F. G. Stanley, Birth of Western Canada, London 1936, p. 11.
united in 1821, to the vast improvement of conditions in the colony and in the fur trade.

The Union caused a surplus of employees, many of whom were encouraged to retire and settle in the Red River Settlement. From the Hudson's Bay Company came Scottish, English or Irish servants of its employ, together with their Indian squaws and their families. The North West Company contributed a few Scottish and many French-speaking Canadians with their families. In 1818, too, had come a handful of settlers from Lower Canada.

The Settlement had now changed its racial composition:

"The outstanding feature of this development during the years from 1820 to 1860 was the transformation of the colony from a white settlement into a half-breed settlement."\(^{10}\)

Alexander Begg, the Red River historian, described the new type of settlers:

"The half-breeds of French parentage far outnumbered those of the English and Scotch, the cour­eurs de bois and voyageurs, who were chiefly of Canadian origin, being largely in excess of other nationalities, and from their mixed, inherited and transmitted qualities, their abandon, vivacity, recklessness and ready affiliation with Indian ways, these French half-breeds (métis) were held to be superior for the service required by the fur trade."\(^{11}\)


\(^{11}\) A. Begg, History of the North-West, Toronto, 1891, I, p. 161-162.
Lord Southesk, British traveller and hunter, in his 1860 visit to the West, admired the métis:

"Physically they are a fine race, tall, straight, and well proportioned, lightly formed but strong and extremely active and enduring. Their chests, shoulders, and waists are of that symmetrical shape so seldom found among the broad-waisted, short-necked English, or the flat-chested, long-necked Scotch."12

Forming almost five-sixths of the 1870 population, the English and French inhabitants of mixed blood felt themselves more native to the soil, more entitled to its inheritance and more entitled to direct the future of their colony than were those Americans or Canadians who had joined themselves to the community in later years. They - and their parents - had taken a major part in the growth of a colony begun fifty years previously by a trembling group of immigrants from Britain.

Louis Riel, the outstanding leader of the métis, spoke of the pride felt by himself and his compatriots in their unique inheritance of nationality and ability:

"C'est vrai que notre origine sauvage est humble, mais il est juste que nos honorions nos mères aussi bien que nos pères. Pourquoi nous occuperions-nous à quel degré de mélange nous possédons le sang européen, et le sang indien? Pour peu que nous ayons de l'un ou de l'autre, la reconnaissance et l'amour filial, ne nous font-ils pas une loi de dire: Nous sommes Métis."13

12 The Earl of Southesk, Saskatchewan and the Rocky Mountains, Toronto, 1875, p. 359.

Sir George Simpson, first Governor of the united Hudson's Bay and North-West Companies, applied his genius to good effect in the rehabilitation of the Red River Settlement, and was ably assisted by Andrew Bulger, the first Governor of the re-organized colony and its Council of Assiniboia. The "District of Assiniboia", extending to a radius of fifty miles from the forks of the Red and Assiniboine Rivers, contained, at the time of the 1836 reconveyance from the Selkirk estate, approximately half of the area granted to Selkirk, which had included much of the present Minnesota, Dakota and Saskatchewan. Major Stephen Long's explorations of 1823 convinced the Company that the United States owned the section south of the 49th parallel, the agreed boundary line. 14

Divided into judicial districts, with a Quarterly Court, and a Governor and Council to act as a court of appeal, the Company continued to rule the Settlement in much the same manner throughout its whole period of supervision and when the transfer occurred one ground of complaint was that the system had not adapted itself to changing conditions.

The governors, always selected by the Company, tried to make the appointed Council members as representative as possible of the Company, the clergy, the respected businessmen and the leading English and French half-breeds of the District.\textsuperscript{15}

The half-breed representation, especially that of the numerically predominant métis, increased with the years and exerted a satisfactory influence upon Council decisions. In 1869 Alexander Begg could say:

"...although there was a feeling in the minds of the settlers that the H.B.C.(sic) were not powerful enough to enforce the laws when required yet there never was a general feeling of discontent towards them or their actions in the government of the settlement. On the contrary we felt ourselves a free people in every respect...It is true we had no direct vote in their (members') election but the H.B.C. invariably consulted the opinions of a neighbourhood before choosing a councilman from that part. We therefore to a certain degree had a voice in our own government and were content therewith. Our laws as administered savored more of arbitration than law and in that respect served us better."\textsuperscript{16}

Over the years, the Company endeavoured to assist the settlers to become self-sufficient economically by introducing such enterprises as the buffalo wool industry and the tallow making, but "one experiment after another was undertaken


only to be abandoned through the incompetency, carelessness or cupidity of those engaged to carry them out". Agriculture however did improve in quality and quantity. From 1823 onward the Settlement could supply provisions to the Company in varying amounts. In 1831 Chief Factor R. McKenzie, one of twelve in the Northern Department, acknowledged receipt of goods valued at about £368 and consisting of flour, barley, Indian corn, pease, beef, port, ham, butter, portage slings and cassette straps.

Agricultural pursuits were interrupted by the buffalo hunts which occurred twice a year. All help was enlisted either to participate in, or to assist, the hunt. The farmers protested that, "After the expedition starts, there is not a man-servant or maid-servant to be found in the colony. At...seed time and harvest time...money cannot procure them". One such expedition in 1840 cost £24,000 in equipment and supplies, for a roll call of 1630 souls. The hunt was a grim gamble but a well-nigh irresistible one, where courage, obedience

17 A. Begg, A History of the North-West, Toronto, 1894, I, p.231.

18 Minutes of Council, Northern Department of Rupert's Land, 1821-1831, Toronto, 1940, p. 277.

and precision were vital. This was the well-trained "army" that by October, 1869, had returned from the latest of the autumn hunts to hear of the unwelcome and officially unheralded approach of Canadian usurpation.

The métis section of the population, which controlled the organization of the buffalo hunts, had felt the Company supervision perhaps more than any other body of settlers. The fur trade was controlled by the Hudson's Bay Company to such an extent that the individual initiative and enterprise of the métis traders was rigidly restrained. The growth of American settlement fifty miles to the south had opened a means of communication, a market and an encouragement that had led indirectly in 1849 to the trial case of Company vs. Guiliame Sayer and his friends, as to the rights of independent traders. The cry, "Le commerce est libre!" perhaps exaggerated the victory of the traders, but it illustrated the inability of the Company to control the Settlement and its activities.

All the settlers, however, were united in the desire for more representation in their government, and had sent unanswered appeals to both Canada and Great Britain for assistance in the establishment of their own responsible government. The tie that united the Settlement was dissatisfaction with a form of authority that was no longer efficient. Anarchy threatened, in a community where good-will and self-
interest were at war, and arbitration could only be persuas­ive.

This feeling was noted, and commented on by Captain H. Y. Hind, in 1857, when he said:

"The term 'native' distinguishing the half-breeds from the European and Canadian element on the one hand and the Indian on the other, appears to be desired by many of the better class, who naturally look upon the epithet 'half-breed' as applied to a race of Christian men as scarcely appropriate. There is a strong and growing feeling among the few who have turned their attention to such matters, that in the event of an organic change occurring in the Government of the country, the 'native' or half-breed population should not be neglected, or thrust to one side." 20

His suggestion was overlooked, its significance as little understood as was the premature establishment, in January, 1868, of the short-lived 'Republic of Manitoba' in Portage la Prairie by Thomas Spence, an immigrant from Canada. 21 It was not understood that this set-up was largely a measure to combat the slackening Company control.

The Settlement was made aware of the disturbance caused among the officers of the Hudson's Bay Company by the 1863 sale of the Company and its reorganization. The incidental slackening of control and interest in the Settlement

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was one result of the legislative, judicial and mercantile adjustments of that year. The 1869 transfer would appear to Company officials to be another such unexplained and unpopular decision from London. There was no strong compulsion to share in the responsibility of the change or to make it palatable to the inhabitants. To this was added the fact that neither the Canadian nor the British Governments had dignified the position of the Governor and Council of Assiniboia by so much as a notification of the impending change. The authority of the Council, already weakened by the plans inherent in the British North America Act, was practically useless in this emergency. As was obvious, "Son seul vice fut d'exister trop longtemps sans adapter aux conditions d'un pays changeant". When it was needed, its inefficiency precipitated violent action, desperate because no other expedient offered itself as a solution. For the predicament in which the Settlement found itself was that of a territory and a people about to be transferred from one authority to another without one expression of their opinion on the subject having been solicited or recognized as necessary.

22 J. J. Hargrave, Red River, Montreal, 1871, p.301.

The Council of Assiniboia, meeting on the 19th of October, 1869, included, among other business matters, the drawing up of a suitable address of welcome to the incoming Lieutenant-Governor, William McDougall, endeavouring to give expression to the mixed feelings of the settlers. It ended by saying:

"We quite feel, that from the altered circumstances of this Country, which has been rapidly changing within the last few years, it is well that its Government has been transferred from the great Commercial body, on which it hitherto devolved; but the administration of the Honorable Company was, we believe, on the whole well suited to the past state of things, and we are not unmindful of many acts of kindness shewn by it from time to time, to the Settlement, as, for example in the past year, when, in addition to a generous vote of money, a large amount of grain was contributed to meet the necessities arising from the great calamity of 1868.

Your Excellency can, then, well understand that there are mingled feelings in our Community with respect to the great change that has taken place, and even misgivings as regards the future in the minds of some;"24

The Council, before its meeting closed, also drew up a letter to the ailing Governor Mactavish, under the signature of the acting President, Judge John Black, expressing the satisfaction of the Council in their dealings with him and with the Company.

Unfortunately, this correct form of procedure was rudely but pertinently interrupted by decisive action on the part of a large section of the métis, led by Louis Riel, son of the man who had led similar action in the trial of Sayer in 1849. The Council had had fears of disunity among the settlers as to the attitude which would greet Canada's assumption of control, but had not expected direct action as its expression.

There had long been restless disapproval of the Canadian element which had begun to arrive in Red River as early as the 1850's. Many suspected that the aggressive loyalty to Canada expressed by these newcomers, and that found expression in challenging Company authority and extolling the superiority of that of Canada, was only the exhibition of personal ambition. The image of Canada itself gradually became identified with that of the more vocal exponents of its virtues. The leader of the "Canadian Party", Dr. J. C. Schultz, showed intelligence and resourcefulness in his attacks on the Company, and was loyalty backed by the mouthpiece of the party, "The Nor'Wester". The editions of this newspaper found their way into impressionable Canadian and American hands as well as those of its own community. The erroneous conviction grew that Red River eagerly awaited the transfer to Canada.
When the 1868 famine in Red River, referred to above in the letter to McDougall, had received generous assistance from the Hudson's Bay Company, aid also had come from the United States and from Canada. Canada's contribution had taken the form of payment for labour on the badly-needed road from Fort Garry to Lake Superior.  

Two factors clouded the appreciation of this needed favour. The Company regarded the act, unheralded and begun without its permission, as an insult to Company claim of ownership. The settlers resented the fact that Superintendent Snow, having become friendly with Schultz, issued payment for labour in the form of food and provision orders on Schultz's store. Several workmen, among them a man named Thomas Scott, expressed this resentment by trying to throw Snow into the river, for alleged unfairness in payments.  

The settlers were united in their need of aid, as shown in a printed letter answering comments of Charles Mair, assistant to Superintendent Snow. The writer, "L. R." said:  

"I know almost all the names of those who received help this winter, and I can assure you that they were of all colours. There are some half-breeds who do not ask for charity, as there are some English, some Germans and some Scots, who receive it every week."  

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Two divergent opinions from the English-speaking settlers regarding the value of the roadwork, were given. Donald Gunn, a Scotsman and an agitator for improvement in the colony, said:

"Thus the employment of men and the means of transportation relieved the destitution very much, particularly among the French half-breeds." ²⁸

On the other hand, Alexander Begg, another resident, said:

"The whole amount paid out on this work was about $30,000 and it might just as well have been dumped into the Red River for all the good it did to Canada, or to the settlement." ²⁹

One example of the tactlessness displayed by the road builders was the very indiscreet nature of letters written by Charles Mair about the Red River residents. ³⁰

The next example of Canadian activity was alarming, as well as distasteful, when:

"The following summer Mr. Stoughton Dennis presented himself among us as surveyor of the lands in the settlement and actually commenced his survey - the Company itself protested against these surveys" and, the account continues, "that Dennis began "on the lands of private persons." ³¹

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Both English and French settlers regarded the survey with apprehension. Company authority was so weakened that it might well follow that its land arrangements were invalid. Also both groups knew that the survey was the prelude to extensive immigration, once the transfer had been accomplished.

The métis, who were involved in the survey, thought the English inaction was:

"Peut-être parce qu'ils avaient moins à y perdre que les métis français, n'ayant pas à sauvegarder comme eux des intérêts nationaux et religieux tels que les écoles et la langue française". 32

Although the Schultz faction and the métis held antagonistic views, the personal intervention of Governor Mactavish and of Bishop Taché had preserved a precarious peace. 33 J.W. Taylor, the American agent, reported:

"Probably no similar population in the world is better provided with religious and educational institutions". 34

It was unfortunate that, at this highly important time, the universally respected Bishop Taché was attending the Ecumenical Council of the Church in

34. J.W. Taylor, "Letters Received by the Dept. of State from the Agent for Red River Affairs, November 25, 1867 - August 17, 1870" (Following quotes given as "Taylor, Letters").
Like the other clergy who dealt with the métis, he was concerned about the influence of an influx of new settlers upon the economic and religious status of his charges and of the Indians. He had, however, attempted, on his way through Ottawa, to warn the Canadian Government of probable difficulties in effecting the transfer. When advised by Cabinet Minister George Cartier not to worry about politics, he could only shrug and say, "Arrangez-vous comme vous voudrez; si vous avez des embarras, tant pis pour vous".35

Bishop Tache, writing in 1868 about impending changes in the Settlement, concluded with the typical viewpoint of the church:

"Offspring of Rupert's Land, it will follow its mother and be ruled by the influences which affect her. Yet, although not quite free, the child has acquired certain rights; it possesses or occupies lands for which it has not always paid; it has cultivated them with its labor. True—the labor has not always been great; but we speak of a child of the desert; it commands indulgence; it presumes to hope that here the foreigner shall not be preferred; that...its past history may not be entirely disregarded...the country might gain by the change, and it would certainly obtain many advantages which it now lacks; but the existing population would certainly be losers. As we love the people more than the land in which they live, as we prefer the well-being of the former to the splendor of the latter, we now repeat that, for our population we very much dread some of the promised changes."36

35 L'Abbé G. Dugas, Le mouvement des Métis, Montreal, 1905, p. 22.

When, on October 11th, the surveyors began the survey of the land of André Nault, a prominent métis, the assistance of Louis Riel was solicited by Nault and his friends, and, by the act of peaceful prevention of the survey, the first step in resistance to the proposed new order was initiated.

Up to this time, except for the one outstanding act of opposition to the roadbuilding payments, Superintendent Snow was able to report:

"I must however, state, that the conduct of the French half-breeds employed, was, with very few exceptions, respectful, and their labor honestly performed, and that the disaffection (sic) that occurred during the summer among the men employed, was almost entirely confined to Canadians, and deserters from the American army." 37

The setting, both physical and political, of the resistance movement, explains much of its development. There were at this time from 12,000 to 13,000 settlers spread out, in long, river-accessed lots, along the Red and Assiniboine Rivers as they came together at Upper Fort Garry. The town of Winnipeg boasted some thirty buildings (eight stores, two saloons, one mill, a church, and residences) and it possessed facilities for an engine-house, post office and entertainment hall. 38

37 A. Begg, History of the North-West, Toronto, 1894, I, p. 374.

38 Ibid., p. 367.
All groups of the French and English parishes - there were twelve of each - were intermixed, especially on the Assiniboine River, with more of the French found on the lower Red River, and the English near Lake Winnipeg. St. Boniface, at the confluence of the rivers, held the Catholic institutions and the main body of the métis. The Anglicans, with their Bishopric, held equal status, while the Scots of Kildonan, lacking the unity of a church of their own until 1851, had not as forceful a voice in Council.

Each group of settlers tended to preserve its national characteristics. There were the serious, hard-working Scottish agriculturists; the comfortably-off retired Hudson's Bay Company servants; and the French, closely connected with the Company by transportation, pemmican and fur trade services. "Socially there was much good feeling existing between all classes of the community, and a more hospitable or happier people could hardly be found on the face of the earth than the settlers of Red River in 1868-69."

The newspaper, "The Nor'Wester", possessed the prime attribute of reaching the settlers. "Without any question


40 A. Begg, History of the North-West, Toronto, 1894, I, p. 367.
the "Nor'Wester" was a boon to the settlers, bringing to them regularly in reliable form the news of the day both domestic and foreign", 41 as a resident described it. Certainly its first issue, in 1859, carried an expression of intention that did it credit. It stated:

"Indebted to no special interests for its origin, and looking to none for its maintenance, it will rely wholly upon the honest and efficient exercises of its functions as the reflex of the wants and opinions, the rights and interests, of the Red River Settlement." 42

Before its transference of ownership to the hands of Dr. Schultz, it may have mirrored Settlement interests more faithfully. Quoted in the St. Paul "Daily Press", in 1868, it tells the Red River Settlement of its precarious position:

"If we may trust the appearance of the political horizon to the east and south it seems to be at least certain that before this year closes we are to have a change, and the change will make us either Americans or Canadians. At about the time when Mr. McDougall is urging upon the Canadian House of Commons the necessity of at once acquiring possession of this country, the Honorable Mr. Ramsay is seriously proposing to the Senate of the United States a scheme which, if carried out, may make us a flourishing Territory of the Great Federation. The curious fact in connection with the matter is that neither party say a word about our own feelings in this matter, and it may be, that just at this juncture, an expression of our wishes would carry with it a weight which

41 Reft. A.C. Garroch, First Furrows, Winnipeg, 1923, p. 143.

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would be felt at no other time, and we would advise those who have fallen into the lethargy which fruitless hope brings, to again arise, for the time of redemption seems to be at hand."

Such seed would be bound to find fertile soil for growth. Settlers could not fail to realize the value of their rights. However, the increased blatancy of the Canadian point of view as expressed by the newspaper soon became obvious. As early as 1863, James Ross addressed a meeting in Portage la Prairie on the subject, addressing an audience who were "proud of their gifted fellow-countryman".

Originally edited by two Canadians, W. Coldwell and W. Buckingham, "The Nor'Wester" had passed into the hands of James Ross, who subsequently sold out to John Schultz and his partner, Walter Brown. It was finally suppressed by Louis Riel, whom it had criticized unmercifully. It was replaced by the pro-Resistance paper, "The New Nation", edited first by the American, Major H. Robinson and at least partly financed by the "loan" from the Hudson's Bay Company at Riel's insistence.

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43 "The Nor'Wester", quoted in St. Paul "Daily Press" issue of February 27, 1868 (no date given for quote), enclosed in letter of same date to Hon. W.H.Seward, in Letters Received by Dept. of State from the Agent for Red River Affairs, November 25, 1867 - August 17, 1870.

Both papers had, by innuendo, assisted the weakening of Company importance, and even suggested Company connivance at the selling-out of the Settlement to Canada. The métis, and indeed the bulk of the settlers, who had been quietly content with Company supervision, mild as it had become, began to feel a certain lack of confidence in their protector which led to fears regarding their rights of property and of individual liberty.

It was the métis who took the action which, peaceful though indisputably determined, recognized Red River as a group of settlers determined to have a say as to their own future.

When the surveyors demanded to know by what right the survey was stopped, Riel, the spokesman, replied:

"Du droit naturel qu'a tout homme de defendre sa propriete quand on vient l'en depouiller injustement". 45

Governor Mactavish, reporting to London the result of an interview Dr. Cowan had held with Riel, showed the unconscious sympathy of Company officials with the viewpoint, when he said:

"The men, who have thus interfered, say they know the survey could proceed without any injury to anyone: but stopping it is always a beginning, and they are desirous to let the Canadian Government

45 L'Abbé G. Dugas, Le mouvement des Métis, Montreal, 1905, p. 41.
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know that it is not wanted by them; that they consider if the Canadians wish to come here, the terms on which they were to enter should have been arranged with the local Government here, as it is acknowledged by the people in the country."\textsuperscript{46}

Also the métis felt that:

"Lorsque pareille expropriation est le fait d'un gouvernement étranger, qui n'a pas le moindre juridiction sur lui le droit de résistance est doublement clair."\textsuperscript{47}

This direct action, so startling to the rest of the settlers, was an expression of the established métis determination to examine proceedings with an eye to protecting their future. Father Superior Lestanc, in charge of the Diocese during the absence of Bishop Taché, refused to interfere with the malcontents, feeling it was the duty of the Church to avoid political involvement but to maintain its influence in other ways over its parishioners.\textsuperscript{48}

From the moment when, on October 11th, the surveying expedition was interrupted, there was a cleavage between the métis and the rest of the settlers, as even many of the French did not wholeheartedly agree with the use of force. Especially was this difference of opinion noticeable when

\textsuperscript{46} Correspondence and Papers connected with Recent Occurrences in the North-West Territories, Canada Session, 1870, Sessional Papers, #12, 1870, p. 47.

\textsuperscript{47} A. G. Morice, L'histoire de l'église catholique dans l'ouest Canadien, Winnipeg, 1912, p. 131.

\textsuperscript{48} G. F. G. Stanley, \textit{op. cit.}, p. 69, quoting Morice, \textit{Ibid.}, p. 25.
Riel decided to stop the Governor-elect from entering Rupert's Land. Legally this was an adroit move, as the refusal of entrance was to a private citizen, and no disrespect to an outside authority not yet established in the country, could be attested.

The views of the English half-breeds, given at length, were:

"To the leaders and men of the party of French who are opposed to allowing Mr. McDougall to come to Red River.

"It is our wish that you should let the Governor come in peacable.(sic.)

"If there is anything you want to bring before the new Governor we are all willing to join you to speak to him on that subject.

"Now this is the first request that the English half-breeds have made on the French half-breeds, and we expect that you will not deny us our request.

"We would like to live peacably - We would not like to fall out with you especially as we are friends and relations with you but provided we do fall out with you at this time we think it altogether your fault - We think it is not right for you to stop the Governor on his road, and we think you ought to all go home, and allow Mr. McDougall quietly to come in.

"After this we hope you will let us know the time when you wish to bring your complaints before the Governor, and we will join you - We send to you by Charles Donald and expect you to send an answer by him.

"Signed by the English half-breeds of the lower settlement, including the Parishes of Mapleton and St. Andrews."

By this time, though, the métis, under Louis Riel, and at the residence of Pere Ritchot, at St. Norbert, had, on October 16th, organized their resistance, and had despatched a message warming McDougall not to enter the country. A hastily-summoned Council meeting, held on October 25th, requested Riel and John Bruce, president of the organization, to explain their actions. Riel's reply was to the effect that:

"His party was perfectly satisfied with the present Government and wanted no other; that they objected to any Government coming from Canada without their being consulted in the matter; that they would never admit any Governor, no matter by whom he might be appointed, if not by the Hudson's Bay Company, unless Delegates were previously sent with whom they might negotiate as to the terms and conditions under which they would acknowledge him; that they were uneducated and only half civilized and felt that if a large immigration were to take place they would probably be crowded out of a country which they claimed as their own; that they knew they were in a sense poor and insignificant, but, that it was just because they were aware of this, that they had felt so much at being treated as if they were even more insignificant than they in reality were;...that their existence, or, at least their wishes had been entirely ignored; that if Mr. McDougall were once here most probably the English speaking population would allow him to be installed in office as Governor and then he would be our 'Master or King as he says' and that therefore they intended to send him back; that they consider that they are acting not only for their own good, but for the good of the whole Settlement; that they did not feel that they were breaking any law, but, were simply acting in defence of their own liberty; that they did not anticipate any opposition from their English speaking fellow countrymen, and only wished them to join and aid in securing their common rights; that they might be opposed by some Canadian party in the Country, but for that they were quite prepared;
and that they were determined to prevent Mr. MacDougall from coming into the Settlement at all hazards."  

The Council, having been unable to persuade Mr. Riel to change his views or to influence his followers to do so, sent Mr. Dease and Mr. Goulet to their camp for this purpose, as the Council had "learnt that a number of the more intelligent and influential among the French were not implicated in the hostile movement against Mr. McDougall". (This was subsequently reported as a useless manoeuvre.) Since the Council had no military force to back its wishes, it was decided not to rouse the English speaking population in McDougall's favour as its probable outcome might be:  

"to bring into armed collision, sections of the people who - although they had hitherto lived together in comparative harmony, yet differed from each other so widely in point of race, of language and religion, as well as general habits, that the commencement of actual hostilities between them would probably involve not only themselves but the surrounding Indians in a sanguinary and protracted struggle;"  

Beside the group of the métis - comprising roughly half of the population - there existed the disaffected French, the English speaking settlers and half-breeds, and the "new-comers" (the Canadian party under Dr. Schultz, and the American party, to be discussed more fully.). The settlers of

51 Ibid., p. 618
British and half-breed descent felt the tie that held them to the métis to be that of concern for the future of Red River. Although averse to active revolt, sincere efforts to co-operate were instituted by such leaders as A. G. B. Bannatyne, Postmaster and Councilman; Alexander Begg, Bannatyne's partner; and James McKay, brother-in-law to Governor Mac-tavish. Andrew McDermott, father-in-law to Governor Mac-tavish, was another leader.

Their attitude was one of disbelief that Canada would force unpalatable legislative changes upon them. They asked:

"Can it be that Sir John A. McDonald (sic) and Cartier were aware that there were about 14,000 of a population here who would justly consider it their right to be at least acquainted with the steps the new government proposed taking with regard to their future welfare and that they in the face of this knowledge have insisted upon throwing in their deputies on the pretext that 'We have bought your country - we have paid so much money for it - we expect to spend so much more on improvements - we, of course, did not exactly buy you as a people - but unfortunately for you, you happened to be born there and therefore you must just grin and bear with what we intend to do.' The action of the Canadian government looks like this - that it is really this it is hard to believe - one has to fall back on the old plan 'ignorance'." 52

The November 16th meeting to find grounds of common agreement failed in its purpose, but at least it showed the

goodwill of the "English speaking portion of the settlement" who "in the meantime quietly remained in the background nor were attempts to raise them against the French and in favor of McDougall found successful" and "the general opinion seemed to be we have not been justly dealt by and we will not at all events oppose those who are fighting our battles ...if Mr. McDougall should come in and attempt to force on us measures distasteful to us we will then join in open resistance against him."53

While the Canadian party did its successful best to stir up loyalty to the Canadian Government, American sympathizers ostensibly encouraged the independence movement of the colony, but had annexation to the United States as their goal. The outstanding spokesman of this group was Enos Stutsman, lawyer and land speculator of Pembina. His endeavours were described as "diabolical in the extreme and unmentionable here".54 He was assisted by C. R. Cavilier, Postmaster, Joseph Rolette, Jr., Customs official, and Joseph Lemay, ex-Customs official, all of whom were leaders

54 Ibid., p. 165.
of the Pembina métis in Dakota. Beggs commented:

"The American residents in Red River with their consul (Oscar Malmros) as far as can be learned have kept their hands clean from this movement amongst our settlers."55

However, the name of Malmros was more than once connected with that of Riel, and the Treasury Agent, J. W. Taylor, kept an eagle eye on proceedings, and had already suggested the Banks Bill of Annexation in 1866.

The métis, however, in a peculiar sense, were alone. Theirs was a new political entity, a "nation" which sought "guaranteed rights as a community of civilized people" and "it is in this conflict between the half-articulated demand for corporate rights by the métis, and the intention of the Canadian authorities to grant individual rights in due course that the true character of the Resistance is to be found."56

The métis were convinced of the necessity for action; and it was said:

"Le peuple métis, loin de se montrer rébellre à l'autorité légitime, ne fut pas en réalité que le défenseur des droits les plus sacrées, et sa résistance que l'accomplissement d'un devoir... au lieu d'être rébelles, ils ne furent que d'intelli­gents citoyens."57


56 Ibid., p. 3.

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The reaction of Church and Company was reported by the Agent for the American Treasury Department, as follows:

"M. Taché, the Catholic Bishop at St. Boniface, is absent in Europe and his priesthood, dissatisfied by the prospect of a large Canadian and American emigration have taken no measures to allay the excitement among their parishioners...Governor Mac-tavish, lately at the head of the Company's administration, counsels peace and submission to Canadian authority." 58

Taking, as he did, a close interest for American government purposes, Taylor expressed this opinion of the general reaction:

"...there is unquestionably much sympathy among all classes of the population with the demands of the French insurgents...The people became greatly excited with a rumor that they would be required by Canada to pay for the lands occupied by them and their ancestors for fifty years. Accustomed to a uniform duty of four per cent, the prospect of a Canadian tariff with an average of fifteen or twenty percent increased the public dissatisfaction." 59

When, on November 2nd, the métis firmly persuaded the Governor-elect to retire from the Company fort at Pembina to the Dakota métis settlement of the same name, they then found it a strategic move on the same day to occupy the Company headquarters at Fort Garry. From there, they commanded the approaches to the community and were impervious to attack from any dissatisfied settlers, of whom the Canadian

58 Taylor, Letters, letter of November 16, 1869 to Fish p. 1-5.
59 Ibid.
party formed the spearhead. Fort Garry - "il était la clef de la colonie" 60 - in the hands of the métis meant that Colonel Stoughton Dennis, sent to enlist troops for McDougall, was placed at the disadvantage of using Portage la Prairie and the Stone Fort at Winnipeg as his recruiting centres. The métis, organized under the presidency of John Bruce, with Louis Riel as secretary, on November 6th, posted a "Public Notice to the Inhabitants of Rupert's Land", extending "the hand of friendship to you, our friendly fellow-inhabitants", 61 and giving notice of a meeting on November 16th to discuss what was to be done. In this way, it was hoped to shut the door to division among the settlers, and many of them did indeed think that complete unity was desirable for Red River.

Dennis, finally, was forced to report this generally-felt reaction of the settlers who said:

"The character of the new government has been settled in Canada, without our being consulted. We are prepared to accept it respectfully, to obey the laws and to become good subjects; but when you present to us the issue of a conflict with the French party, with whom we have hitherto lived in friendship, backed up, as they would be, by the Roman Catholic church, which appears probable, by the course at

60 L'Abbé G. Dugas, Le Mouvement des Métis, Montreal, 1905, p. 67.

61 A. Begg, History of the North-West, Toronto, 1894, I, p. 390.
present being taken by the priests, in which conflict, it is almost certain the aid of the Indians would be invoked, and perhaps obtained by that party, we feel disinclined to enter upon it, and think that the Dominion should assume the responsibility of establishing amongst us, what it, and it alone, has decided upon."62

Of the two forces, pro-Canadian and métis, the métis commanded the respect due to superior force. Taylor said that:

"I estimate the French element at 6000, capable of sending 1000 men into the field. Of the latter, fully one half, mounted and armed, occupy the roads and fords between Pembina on the international frontier and Fort Garry - points on the Red River of the North separated by a distance of 70 miles."63

The English speaking settlers and half-breeds watched Riel's actions with interest and apprehension. Major C. A. Boulton, one of Stoughton Dennis' recruits and Lieutenant to Dr. Schultz, recorded his opinion of Riel's actions:

"There was method in all Riel's plans...There did not seem to be any disposition on his part, or that of his people, to oppose the cession of the country to Canada; but the opposition he offered seemed to be confined to the entrance of the Governor or the establishment of the authority of Canada until certain rights, which he and his supporter (sic) claimed to be their privilege and to have been granted them as inhabitants of the country, had been conceded.


63 Taylor Letters, letter of November 16, 1869, to Fish, p. 2.
As his successes filled him with vanity and ambition his designs changed, and there is no doubt he conceived the idea of forming an independent government and handing it over to the United States for a good round sum. On Archbishop Taché's return he put him off this conceit and brought him to his senses.  

The residents also found the attitude of the Hudson's Bay Company inexplicable. D. Gunn and C. H. Tuttle of the English-speaking group wrote:

"To say that Governor MacTavish (sic) and his advisors openly encouraged the insurgents is perhaps going a little too far, but that they did receive great encouragement from their inactivity is simply stating a fact...He passed through Ottawa and had several interviews with Ministers, who asked him if he was in a position to transfer the territory peacefully, as stipulated in the contract, offering to send up 300 of the Canadian Rifles, then available, if he anticipated any trouble. To this the Governor replied most positively that he was quite able to carry out the terms of the contract without assistance, and yet when fifty determined men could have prevented any trouble, and he had about five hundred at his command, we find him unable to do anything but advise Hon. Mr. Macdougall to remain at Pembina, and make himself and the Government he represented look ridiculous."

The Governor's ineffective Proclamation, read at the November 16th meeting of English and French-speaking settlers, and the December 1st Proclamation of the change to Canadian authority left the non-métis section of the community without security. In spite of this seeming betrayal by constituted  

64 Major Boulton, Reminiscences of the North-West Rebellions, Toronto, 1886, p. 66.  
65 Gunn and Tuttle, History of Manitoba, Ottawa, 1880, p. 350-351.
authority, there was enough resistance to the recruiting of Stoughton Dennis, that on December 9th, Dennis, at the fervent insistence of the Anglican bishop, Robert Machray, 66 sent a formal notice through Postmaster Bannatyne, to all whom it may concern. It contained the following statement:

"Under the belief that the party in arms are sincere in their desire for peace and feeling that to abandon for the present the call on the loyal to arms would in view of such communication relieve the situation of much embarrassment and so contribute to bring about peace and save the country from what will otherwise end in ruin and desolation, - I now call on and order the loyal party in the North West Territories to cease further action under the appeal to arms made by me: and I call upon the French party to satisfy the people of their sincerity in wishing for a peaceful ending of all these troubles by sending a deputation to the Lieutenant Governor at Pembina without unnecessary delay." 67

The same day the French party "seized all the available arms in town" to prevent their use against them by the "Dennis party", and the next day, Begg said of the remaining settlers:

"It was the opinion of certain residents in the town (the pro-Company settlers) that the settlement would have to go in for the Provisional government (formed by the Metis) for self protection. Some steps were taken towards calling a meeting to consider the subject. News came in that the Canadian party were endeavouring to raise the Sioux Indians to come down on the settlement - the report is not believed." 68

66 A. Begg, History of the North-West, Toronto, 1894, I, p. 418-419.
68 Ibid., p. 224-225, entries of December 9th and 10th.
The brief interference with the delivery and expedi­tion of mail in the settlement aroused much dissatisfaction. When Postmaster Bannatyne was asked to continue in his posi­tion but under the Provisional government, he sought the advice of Governor Mactavish before accepting the post, which he finally did, "guided a good deal by his desire for peace in the country as well as the sacredness of his charge as postmaster". 69

The older settlers might finally have come to some agreement, as suggested by Begg, for united action. However, the American element, nudging the Provisional Government into independence, and the "Canadian party", threatening its existence, made reasonableness and moderation of demands alike seem cowardly and well-nigh impossible.

At the time of McDougall's premature Proclamation of the transfer of the territory on December 1st, it was repor­ted that the people of Winnipeg had been much impressed by it, that "the tone of the people in Winnipeg was decidedly loyal; and had Mr. Macdougall's authority been legal, and had Colonel Dennis remained in Winnipeg to enforce it, it would have been maintained." 70 Unfortunately, it was the "Canadian party"


70 Major Boulton, Reminiscences of NW Rebellions, p. 77.
which, by making the next move, forced the tone of future action.

The seizure of the food sent from Canada for the Canadian delegation was forced upon Riel's party when the "Canadians" made a point of guarding it. This they did contrary to the orders of Dennis. The show of force on both sides led to the imprisonment of the forty or more leaders of the besieged group on December 7th, to the possible embarrassment of Riel's plans. However, he now had the greatest threat to his authority under guard, and the people of the settlement in his power.

Riel's Proclamation of December 8th was suspected, partly by its style, of being the work of Enos Stutsman the Postmaster of Pembina, "who was a rabid Annexationist and a great friend of Riel's." Now the flag of the Provisional Government was flown, and it seemed that Riel was in a position to seek for his compatriots either complete independence or annexation to America.

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72 Gunn & Tuttle, History of Manitoba, p. 371.
To Governor Mactavish, Riel explained his stand:

"Excellence, ce ne sont pas les métis qui sont actuellement blâmables. Je n'ai pas le temps de voir, ce soir, jusqu'ou vont les responsabilités dans le désordre qui règne en ce moment; mais voici ce que je tiens à vous dire. Les colons anglais ne compren-ment rien à la situation; ils semblent tout-à-fait indifférentes à la question qui se pose aujourd'hui. Ils seraient prêts à laisser s'établir ici le gouverne-ment canadien, quitte à lui poser plus tard des con-ditions, si les affaires vont mal; or, telle n'est pas notre manière, à nous, de procéder. Il est, ce me semble, de la prudence la plus élémentaire d'empêcher le loup d'entrer dans la bergerie; vu qu'il est toujours plus facile de le tenir dehors que de le mettre à la porte lorsqu'il est entre. Pour nous, le gouvernement canadien, tel qu'il se présente, c'est le loup, et nous sommes bien déterminés à l'empêcher d'entrer chez nous ou il n'a aucun droit. Nous restons loyaux sujets de Sa, Majesté, mais nous réfusons net de reconnaître, ici, l'autorité du Canada."73

Mactavish, thought Riel, could not disagree "car il etait trop intelligent pour n'en pas admettre le justice."74

Riel's plan to establish a Provisional Government which, whether legal or illegal in constitution, would present an organized appeal to the Imperial Government, met resistance from his own followers who wished to show no dis-loyalty to the Crown. It had taken Riel seven heated hours of argument on November 23rd to obtain united support.75

73 l'Abbé G. Dugas, Le mouvement des Métsis, Montreal, 1905, p. 45-46.

74 Ibid.

He realized that, to be effective, his formation of the Provisional Government on December 8th, with its accompanying Bill of Rights, should be supported by all elements in the settlement, so he worked to achieve unity. Bannatyne, of the English party, was his Postmaster; W. B. O'Donoghue, American-born settler and Fenian sympathizer, the Treasurer, and, on December 25th, Riel assumed the Presidency, previously held by the métis, John Bruce, and A. D. Lepine was made Adjutant-General. After the December seizure of Hudson's Bay Company funds and supplies and the closer restraint put upon Governor Mactavish and Dr. Wm. Cowan, his assistant, the English residents became suspicious of Riel's intentions. Other prisoners were taken, and held, by the métis, and the Commissioners from Canada were also held prisoner for almost a month, from December 26th to January 19th, in Fort Garry.

The mass meeting on January 19th, to which Riel agreed, allowed Commissioner Donald Smith to present to the large audience the message from the Canadian Government, promising a discussion of demands, and requesting that delegates be sent to confer with the authorities at Ottawa. The interest caused by this speech could not be disregarded, and plans were made for a joint convention to decide upon terms to be sent to Canada.
Fortunately for all concerned, "Not one single Indian joined Riel's standard", owing to McDougall's foresight in sending an English half-breed, Joseph Monkman, among them, for Indian participation in the struggle would inevitably have led to the bloodshed that was, so miraculously, missing from the struggle.

The American influence continued to make itself felt, and it was to an American, Major H. N. Robinson, that Riel first intrusted the editorship of the Resistance newspaper, "The New Nation". He kept a sharp watch on his editorials however, and finally invited Thomas Spence, the "President" of the ill-fated "Republic of Manitoba" to replace him. Spence echoed the pro-American trend (which practically disappeared with the arrival of Bishop Taché) when he printed this editorial:

"The Bill of Rights framed by the Convention we take to be a very moderate one, and one which, if Canada is as deeply desirous of attaining the Territory as represented, she will unhesitatingly (sic) grant. Should she not, however, there is another country toward which we look with longing eyes, and which will guarantee us interests compared with which those held out by the Dominion are truly insignificant."  

76 Gunn & Tuttle, History of Manitoba, Ottawa, 1880, p. 372.
78 Ibid., Item 15.
79 "New Nation", February 11, 1870, Supplement, enclosed in letter from J.W. Taylor to H. Fish, February 12th, Taylor Papers.
However, Begg reported of Riel:

"Riel in every action shows an honest purpose for the good of his country - and American influence is no influence with him."\(^80\)

Riel clearly seemed to feel that annexation to the United States would be the last resort, failing agreement with Canada, of a stronger and independent country, capable of negotiating with it on a more equal status. A December letter from Enos Stutsman, urging the non-admittance of any of the Commissioners, was never even acknowledged.\(^81\)

His disinclination to release his prisoners, however, put in great jeopardy Riel's plans for a new Provisional Government to deal with Canada. His fear of the "Canadian party's" intentions was intensified by the ill-advised attempt of this group to rescue the prisoners held in the Fort. Schultz and others had escaped, near the end of January, and Schultz and Major Boulton were known to be making plans which would interfere with the carefully-arranged negotiations for a joint appeal to Canada.

The capture of Major Boulton and his unarmed Portage la Prairie group paralyzed Red River action. Commissioner Smith had agreed to urge union upon the English speaking parties in exchange for the release of Major Boulton.


\(^{81}\) Ibid., entry of December 27, p. 242, & January 6, p. 253.
Donald Smith reported that Riel had said to him:

"Canada had disunited us, will you use your influence to re-unite us. You can do so, and without this it must be war, bloody, civil war...We want only our just rights as British subjects, and we want the English to join us simply to obtain these." 82

Smith's comment on his agreement explained his action:

"The moment was a fearful one for the settlement; every man's life was in the hands of Riel and fully appreciating the significance of this, the Bishop of Rupert's Land and the Protestant clergy generally, now earnestly counselled the people to elect their delegates without loss of time as by this means they might to some extent control the course of events, while otherwise they were utterly hopeless." 83

When the Council finally met only Boulton was freed of the prisoners from Portage la Prairie. On March 4th Thomas Scott, one of the other prisoners, of little political importance, was shot on the evidence of Louis Riel and the orders of Ambrose Lepine.

This seemingly unnecessary act, the only deliberate shedding of blood in an otherwise understandable Resistance, destroyed much of what had been achieved. Bishop Tache arrived five days later recalled from Rome by Canada to act as peacemaker. He found his valuable promise of amnesty in question when it came to condoning bloodshed.

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83 Ibid.
Uncertainty about the extent of the amnesty coloured negotiations regarding the demands the settlement felt it could ask of the Dominion. Carefully chosen delegates - "Judge" John Black, member of the Council of Assiniboia, for the English party; Father J. N. Ritchot, advisor to the Resistance, for the French; and Alfred Scott, bartender and American, to represent the rest of the community, were given a revised version of the accepted Bill of Rights to take to the Canadian Government. While the delegates suffered arrest, release, and the suspense of negotiation to achieve the desired provincial status, and a complete amnesty for all members of the Resistance party, affairs were resuming normal conditions in Red River. On Governor Mactavish acceding to Riel's terms, the Company was allowed to resume the usual procedures of trade. Everyone awaited the return of the delegates with varying degrees of confidence or trepidation.

When Father Ritchot, on June 24th, reported upon the terms of the new Manitoba Bill, which was to take effect on July 15th, he was able to announce the acceptance of most of the terms of the revised Bill of Rights. The addition to the district of the settlement of Portage la Prairie was explained. It was also believed that the legality of the Provisional Government had been recognized, according to one report.

84 Red River Rebellion, 1869-1870, & Miscellaneous Papers, p. 4M-17.
"This 24th day of June therefore is the turning point in the affairs of the Settlement", was the consensus of opinion, and on the 25th the acceptance of the Bill, and a letter of Welcome to the incoming Governor, Adams Archibald, were dispatched. 85

The amnesty, so eagerly awaited, and for which Bishop Tache worked untiringly, did not materialize, for all, until 1877. 86

It was disappointing to learn that no decision had been received concerning an amnesty for the Resistance participants. The secretary, Louis Schmidt, expressed the general feeling of the insurgents when he said:

"Properly speaking, and if we had been dealing with a strong and honest government, we wouldn't have needed that amnesty. Only the guilty are amnestied, and we were not guilty. But it was a safeguard against the machinations of our enemies who would not fail to besiege and importune the courts on our account." 87

When the British and Canadian troops, under Colonel Garnet Wolseley, arrived in Red River on August 25th, they

found a peaceful community and an empty fort. Riel, O'Donohue
and Lepine had chosen to cross the International Border
rather than to await an uncertain fate. Riel could console
himself by thinking:

"N'importe ce qui arrivera maintenant, les droits
des métis sont assurés par le Bill de Manitoba; c'est
ce que j'ai voulu - Ma mission est fini".88

The legality of the Provisional Government formed by
the Resistance party has been strongly argued. Riel himself
said:

"Puis comme nous étions sans gouvernement exposés
à l'anarchie, tout occupés du soin de veiller à la
conservation de nos vies et de nos propriétés, nous
proclamation le 8 décembre, la formation et l'autorité
d'un gouvernement Provisoire qui reconnut de suite
l'approbation et le soutien d'une grande partie du
peuple. À cause des conjonctures qui les faisaient
maître, ce gouvernement était légal. Jugeons de la
place qu'il a occupé dans l'estime publique. 8 jours
après qu'il eut été proclamé, l'Honorable Conseil
Privé pour le Canada jugeant des circonstances disait
lui-même que l'existence du gouvernement était
légale. On peut constater l'authenticité de cette
assertion, en lisant le rapport de l'un de les comités,
écrit par Sir John A. Macdonald lui-même, en date du
16, décembre, 1869 et adressé au bureau des colonies
en Angleterre."89

It was finally decided that:

"The Manitoba court and the Imperial authorities
could not but hold that the Provisional Government
had, and could have had, no legal basis, since under

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88 W. L. Morton, ed., Begg's Journal and Other
Papers, p. 617, Document XXXII, l'histoire Veridique,
Chap. XIII, p. 191-4.

89 Papiers Louis Riel, 1871-1885, Mémoire
the British constitution all executive authority emanates from the Crown."\textsuperscript{90}

But, whatever its legal status, the Resistance could be considered successful, because:

"Above all, the Red River Resistance revealed, in its full course and in full perspective, to what extraordinary lengths French and English Canadians would go, in spite of much mutual irritation and many mutual wrongs, to preserve a common allegiance and to share a common country."\textsuperscript{91}

\textsuperscript{90} W. L. Morton, \textit{Manitoba}, Toronto, 1957, p. 148
\textsuperscript{91} W. L. Morton, ed., \textit{Begg's Journal and Other Papers}, p. 148.
CONCLUSIONS

"On July, 1870, Rupert's Land and the North-Western Territory were formally transferred from the Hudson's Bay Company to the Dominion of Canada. Out of this extensive area, a small district, approximately one hundred miles square, and inhabited by a handful of settlers, was organized into the Province of Manitoba. The remaining territory was a vast wilderness. To the north lay a forbidding land of rivers, lakes, rocks and forest; to the west, a monotonous vision of grass and sky, the prairies."

From the weary hand of the Hudson's Bay Company, via the wary one of Great Britain, the worried hand of Canada received the transfer, avoiding adroitly the willing grasp of the United States for the wistful, outstretched hand of Red River Settlement.

These five governments and peoples were concerned with the act, in varying degrees, and with divergent motives. Each was affected by each of the other groups to some extent.

To the Hudson's Bay Company, the thirteen years of waiting for the release of responsibility promised by the Report of the 1857 Select Committee had witnessed increasing difficulty in administering an unwilling colony, governed by outmoded methods, and the Company regretted the expense of time, money, trade and power.

CONCLUSIONS

Both Britain and Canada had been guilty of delaying tactics. Britain's procedure had been interrupted by several changes of administration while Canada was unready, politically and economically, for a speedy acceptance of the territory. Both had refused to test the legality of the Company Charter to the land, and the Company certainly would not question it in court, after accepting its validity and its use for 200 years. Terms the Company had suggested had been refused by both, and the ultimatum of the Colonial Secretary, Lord Granville, had not pleased the Company. Recriminations and refusal to recognize Company rights had strained official and personal relations between Canada and the Company.

Neither Britain nor Canada had thought to notify the Company officials in North America of the change, its implications or their share in the transfer.

In the natural confusion this would cause, Canada had seen fit to send roadbuilding and surveying teams without due regard to Company or settlement. The impending Lieutenant-Governor, William McDougall, had entered into no negotiations with the retiring Governor, William Mactavish, and expressed little appreciation of him or of his plans for the transfer. The Company refused entirely to accept responsibility for the acts resulting from the delayed transfer which Canada refused to accept for another six months.
The United States, as the Company realized, had encouraged resistance to Company law, and had encouraged trade to travel to the south, rather than to Company headquarters. However, since the company itself used these travel, transportation and communication facilities, and besides enjoyed pleasant relations with many of the neighbouring Americans, it could not demur.

The Red River settlers had reason on their side when they complained against Company restrictions on trade and the lack of them on the behaviour of members of the community. The "Nor'Wester" newspaper was an irritation to Governor Mactavish with its Canadian-inspired criticisms of the Company, which was spending time and money to support an ungrateful colony. The Company was quick to acknowledge, however, the continuing respect paid to it by the older members of the community, those who had Company and Selkirk backgrounds especially.

Great Britain had ample motive for wishing the transfer to go through. The Company monopoly - and of such an extensive grant - was embarrassingly unsuitable to nineteenth century politics. Anxious to see an extended Dominion contact British Columbia and form a strong bulwark against American interests, Britain found the arguments of both Company and Canada painfully extended. It was in 1846 that Oregon had been gathered into the American fold, and,
with the Alaska purchase of 1867, it would not be too difficult for the United States to wish to extend Oregon to Alaska, and to encompass much of the rest of British North America en route. The Union of Rupert's Land with Canada would counteract this tendency, and would at the same time avoid the reason for setting-up the Crown colony requested by the settlement.

The United States added to Britain's determination to see the transfer completed by suggesting that Britain might be bullied into paying for the disputed Alabama claims by the cession of Rupert's Land. When the States refused transit through the Sault Ste. Marie Canal for troops to travel to Red River, it was most gratifying - and enlightening - to find they could reach their destination by land.

Thomas Spence's Republic of Manitoba and Louis Riel's Provisional Government troubled Britain's legal authorities, and illustrated the manner in which the land could be lost by the lack of some connection with another British possession, and the troops were sent perhaps as much on Britain's behalf as on that of Canada. Fortunately, the Hudson's Bay Company rather smugly abided by its 1863-64 promise to refuse offers for the land from outside bidders, so Britain was not too concerned by the Banks' Bill, the Minnesota Memorial and the offers of Anglo-American firms to take over the country.
Canada, naturally very conscious of the proximity of the United States, and of the interest in Canada shown by its guests, the Fenians, longed for a strong, united British North America. It was not, however, prepared for its accomplishment so soon. There was still much to do in the reorganization of the Dominion as it was then. But Britain and the Company were impatient in their demands, and Lord Granville definite in his ultimatum, so that it was logical for Canada to blame speed for its several mistakes.

The ingratitude of the little-known Red River Settlement came as a surprise and almost an impasse. Having received practically no assistance from the mother-country, Canada found, fortunately, that it was able finally to solve the problem of the Resistance movement in the Red River Settlement. It had told Britain bluntly that Imperial troops were necessary, had received a sufficient number for the purpose of showing British-Canadian unity and had won out, but with the permanent scar of a country divided into racial and religious camps. Canada felt also that Britain had been lacking in support of Canada's challenge of land ownership, and that Canada was financially burdened by what it considered to be a compensation to the Company.

To the United States, North West British America, and even Canada, had seemed temptingly easy of attainment. It had disarmed the Hudson's Bay Company, huge watchdog of the
British Empire, by trade, travel and transportation assistance, and anxiously manoeuvred to have the territory either voted to the States by plebiscite arranged by a kindly Britain, or to frighten or coax Britain into cession as a painless method of paying off the Alabama claims. At Winnipeg, Consul, Agent and other interested officials and individuals patiently coached a politically backward community into asking for annexation. It was, felt the United States, ridiculous to expect Canada to absorb a country the size of the Louisiana Purchase. The ease with which Canada and the Settlement had defeated its purpose was inexplicable to the United States. Even the undecided Provisional Government of Red River was loyal enough to Britain to prefer to agree to its suggestions if their rights were not endangered in so doing.

The Red River Settlement had the best of motives — the establishment of a representative and responsible government within the British Empire. Whether that was to be as a Crown colony — as it preferred — or as an adjunct (secure and independent) of Canada did not much matter. At no time was there much temptation to enter the United States, in spite of the easy commercial relationship established over so many years. Possibly many could agree with Riel that it would be no improvement to be a dependent addition to an even larger country than was Canada. It hoped for accessible
routes to civilization which could result from its reunion with Canada.

It was humiliating and even frightening that no consultation of the population of Red River by the Company or the Governments of Britain or Canada preceded the announcement of their transfer to Canada. The Company, it knew, had become steadily weaker in prestige and control of the settlement, but the silence of Company officials on such an important matter destroyed confidence and respect, and led to the expropriation of Company supplies to fill compelling needs.

Britain had turned a deaf ear to several previous pleas for assistance in attaining self-government, but loyalty remained strong.

Canada had made the worst possible impression upon the Red River Settlement in the ambassadors, official and unofficial, who had preceded the news of the transfer, garbled as that was. When the man who had sent the roadbuilders and the surveyors arrived without previous notification as their Governor-elect, self-preservation demanded the rude reception which Canada so much deplored. The manner of entrance adopted by McDougall and his subordinate, Dennis, did nothing to dispel the determination to resist such imposition of Canadian authority. Luckily, Canada paused to appraise the situation more accurately, and was able to conclude the transfer successfully.
The United States was unable to destroy this agreement, though its emissaries laboured in every available connection. Appeals to the advantages of American citizenship were met by wily recognition of the accompanying disadvantages. American disparagement of Canadian commissioners disturbed negotiations for a time, but were ultimately ignored. The troops, so apostrophised by the Americans as harbingers of retribution were awaited, with some exceptions, as valid messengers from the Queen. Finally, the Americans withdrew from the field and the subject of annexation died in the 1870's.

The final transfer of Rupert's Land was delayed, by an unexpected six months. The wonder is, with all these inter–acting forces, that it took place at all.

When the smoke had cleared and the troops departed, the new Governor, Adams D. Archibald, securely ensconsed in office, had begun his task of reassuring all classes in Red River of the good intentions of the Dominion for the new province of Manitoba. It took some time to appraise the results, to all five groups, of the momentous formation of this westward link of Confederation. Months, even years, were necessary to assess the far-reaching effect of Canada's first venture outside the original four older Charter members of the Dominion.
CONCLUSIONS

Britain, farthest removed geographically, could gauge the difference the creation of Manitoba made to Empire commitments. One enlarged Dominion, steadily adding to its stature and its usefulness, provided Britain with rich fields of grain, rolling miles of transportation, protection from American threats to its "Achilles heel" of Empire, a gratifying agreement - the Washington Treaty - to ensure American goodwill, and a powerful central Dominion government capable of guiding its own defence, trade and external diplomacy, and that of its growing provinces.

The United States, furthest removed politically, turned its attention fully - only part of the country had been concerned with the North West - to increasing and improving its already extensive territory, and learned to work in harmony with the larger Dominion of Canada. Trade agreements became more valuable to the two countries and diplomatic relations became friendly and co-operative.

Canada was able, just one year later, to add British Columbia to its provinces and the Territories of Assiniboia, Saskatchewan, Alberta and Athabaska in 1882. The Canadian Pacific Railway, completed under the guidance of "Commissioner" Donald A. Smith in 1885, joined the east with the west, and determined the route for the growth of the population which now followed the railroad rather than the rivers. Success in the west is defined by a contemporary writer:
"Canadians owe more to the steam locomotive than any other people in the world. If it hadn't been for the railroads linking east and west the United States would have taken over the country long ago."²

To the development of the West, Canada owes much of its prosperity, and the increase in its population from four to seventeen millions. Its perspicacity in making Manitoba, originally, a small province, meant commercial, as well as political, prosperity, for the resources of the Territories could be enjoyed by the Dominion while those of Manitoba, while put to Dominion use for awhile, were finally returned to the province. The delay in the amnesty settlement meant that the métis moved farther west, and instigated the North-West Rebellion of 1885, a more serious disturbance than the Resistance had been. Land survey was recommenced in 1871 and by 1883, there had been 61,863,772 acres surveyed. Although homesteading regulations were quite liberal, compared to American ones, settlement in the West was for a time delayed by the reservations required by half-breed families, Hudson's Bay Company, and railway and school purposes. But, generally speaking, the years between 1870 and 1885 were years of great development and administration of the area ceded to Canada by the Hudson's Bay Company.

The Red River settlers, in the years following the transfer, adjusted to the change, though the unsettled amnesty question aroused some animosity in the Canadian troops stationed there to which the métis felt unable to react with the confidence that forgiveness would have assured them. Finding their situation an uneasy one, the métis chose - many of them - to follow the buffalo west rather than to live in uncertainty in a colony swelled steadily by further emigrants. While the remaining settlers adapted to administrative and business conditions, and, five years later, voted to dissolve the Upper House allowed them, the métis went on to found the first really successful métis settlement, "their highest development, politically, as a distinct race", with Gabriel Dumont as President. His Provisional Government flourished until Canada, hearing of it in 1875, sent troops to disband it, and found it a loyal, law-abiding community. Red River continued to supply the new settlement with settlers, and it branched out into Batoche, headquarters to-be of the 1885 Rebellion. With the coming of the railroad, development of the southern section of the West attracted more settlers, as did the navigation of the Saskatchewan by larger vessels. Soon a Lieutenant-Governor and a Legislative Assembly were provided for the North-West. The ambitious and steadily progressive

opening of the West, though it drove the Indian farther and farther back, provided a new field of opportunity for the Red River settlers, and Winnipeg became a city in 1874, centre of an ever-expanding industry.

The transfer left the Hudson's Bay Company free to develop its trade. Mactavish's successor, Donald A. Smith, turned to the retail trade and developed the Department Store, which spread through the West. Before the end of the century, stores appeared in Kenora, Winnipeg, Yorkton, Calgary, Qu'appelle, Macleod, Lethbridge, Edmonton, Kamloops, Nelson, Vernon, Vancouver and Victoria.

To the £300,000 paid to the Company at the time of the transfer were added the settlement of the Oregon and Puget Agricultural Society claims, although "a very sorry affair, offering but little to dividends". Still, there had been compensation for the surrender of Vancouver Island, also, and the fur trade was not affected adversely.

5 Ibid.
6 C. Rankin, Letters, 1869-1913, letter from Don A. Smith to Colin Rankin, Montreal, September 15, 1869, p.2(mss
"The Company had ceased to rule. Its trade, the Outfit for 1870, was organized and well on its way; it was the chief store and the centre of the economic life of Red River. But it had no other claims and no other responsibilities save such as its knowledge, its personal ties, and its trade posts with their land-titles, gave."

Its volume of business varied very little from the year before or the year following, the transfer. Its position was becoming more important to the settlers, as a retail concern, and the Indians would have starved without its services. In 1914 it was reported that "its dividends have frequently reached forty per cent, and in 1914 there were still over 4,000,000 acres of unsold land in the possession of the Company".

Canada had acquired the area it coveted, Britain had a stronger colony, the Hudson's Bay Company had branched out in a new direction, the United States was kept busy with new growth, physical and economic, and, most important of all, perhaps, Manitoba was developing politically, socially and commercially, adding important contributions to the strength of its country.


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LEGEND FOR ABBREVIATIONS


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M. G. - Manuscript Group.

R. G. - Record Group.
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ERRATA

p.iii.-author's name is "Blegen",1.14
p.16.-date should be "1860",1.2 from bottom
p.34.-" Department of",1.3 from bottom.
p.38.-insert "1869" after "Aigist",1.9
p.65.-ref.72 should read "Papers, Vol.101, Part 1".
p.67.-"June 23",1.6.
- "$1,460,000" should follow "paid", ref.78.
p.102.-"October 25", (not "January"),1.20
p.104.-"was absolved from further responsibility" follows "19" and "It" should be capitalized,1.5.
p.107.-ref.86 should read "Rogers from Northcote".
p.134.-"anger" should read "enter",1.5 from bottom.
p.168.-should be "unsuccessful",1.10.
p.182.-in ref.84,"M-17" replaced by "E 9/1, March 28, 1870".
p.200.-"40th and 41st Congress of", follows "39th",1.27.