

Sir Edmund Head to the Duke of Newcastle.

[COPY.]

HUDSON'S BAY HOUSE, LONDON,
1st August, 1863.

My Lord Duke,

I have the honor to acknowledge the receipt of Mr. C. Fortescue's letter of the 24th ultimo, transmitting extracts from a despatch addressed to your Grace by the Governor of Vancouver's Island on the subject of the land in Victoria surrendered by this Company to the Crown, under the Agreement of the 3rd February, 1862, in which Mr. Fortescue announces that if the Hudson's Bay Company are prepared to surrender the portion of the Government Reserve marked Z in Mr. McTavish's plan, and the lots marked 1605 and 1607, with the adjoining lot 1603 upon which the Post Office is built, your Grace will consent to give up the lot reserved to the Crown at the foot of Fort street, on which the Company have buildings, in exchange for a lot of the same extent at foot of Broughton street.

I beg to assure your Grace that the Directors of this Company have no wish to throw any obstacles in the way of a settlement of the questions remaining unsettled with respect to their transfer of Vancouver Island. On the contrary, they are most anxious to second your Grace's wishes in that respect to the utmost of their power.

It is with great pleasure, therefore, that I have to acquaint your Grace that my colleagues and myself are quite ready to do all in our power to settle the unadjusted matters on the terms suggested in Mr. Fortescue's letter. On the part of the Hudson's Bay Company we are ready to surrender any right or title the Company may have in the lots marked in Mr. Mactavish's plan with the letter Z, as well as the lot 1603, on which the Post Office is built, and the two lots adjoining thereto marked 1605 and 1607. We are also ready to surrender the lot at the foot of Broughton street in exchange for the lot at the foot of Fort street, on which it was originally intended that the Harbor Master's Office should be built. In making these concessions, however, it must be understood that the Hudson's Bay Company surrendered only the rights which they actually possess, and that the arrangement is made subject to and saving the rights of third parties (if any) to whom the lots in question may have been already conveyed.

As this is, as far as the Directors of this Company are aware, the only question which remained to be adjusted between the Crown and this Company, we saw no reason why steps should not be at once taken for preparing the Deed of Reconveyance of Vancouver Island to the Crown.

I have, &c.,

(Signed)

EDMUND HEAD