

finally settled, requesting to know whether "the Hudson's Bay Company, having formed an establishment on the southern point of Vancouver's Island, which they were annually enlarging, would be confirmed in the possession of such lands as they might find it expedient to add to those which they already possessed." In reply to this letter, and referring to an interview with Sir J. H. Pelly, which took place in consequence, Lord Grey, on the 3rd of October, 1847, requests Sir J. H. Pelly to "move the Directors of the Hudson's Bay Company to apprise his Lordship, with as much exactness as may be possible, what is the extent and what are the natural or other limits of the territory in the possession of which they [the Hudson's Bay Company] desire to be confirmed, pointing out what may be known regarding the soil, harbours, and navigable streams comprised within it."

In reply to this question, Sir J. H. Pelly encloses a report by Mr. Chief Factor Douglas, who was sent to select a site for a fort, which was subsequently built on the south-eastern corner of Vancouver's Island, and is now called Fort Victoria; and also some extracts from subsequent reports, relating to the progress of the farm and settlement connected with that fort.

Sir J. H. Pelly asserts in this letter, that, besides what may be gathered from these enclosures, "the only additional information in the Company's possession will be found in the report of Lieutenants Warre and Vavasour, dated Nov. 1, 1845, addressed to the Secretary of State for the Colonies; and in that of Lieutenant Vavasour to Colonel Holloway, of the Royal Engineers, Canada, dated March 1, 1846."

Now, Mr. Douglas's report contains nothing more than an account of an examination of a part of the *south coast* of Vancouver's Island. His observations were chiefly directed to a survey of the several ports and harbours. Nevertheless Mr. Douglas asserts that the finest and only district of Vancouver's Island which contains any considerable extent of clear land is situated immediately on the Straits of De Fuca. This is an opinion which must be taken with great caution, as there is no evidence that Mr. Douglas's investigation extended further than to a very limited part of the coast, or that he was at all acquainted with the interior of the island; and this opinion is moreover entirely at variance with that of almost every other person who has visited the island, including many of the Hudson's Bay Company's servants.

Mr. Douglas had as little idea as any one else connected with the Company, of ever founding a Colony in the island. He was sent on a particular duty, which he seems to have performed with activity and intelligence. His object was to find a good site for a *trading fort*, with just sufficient good land in the immediate neighbourhood to afford supplies of food without much labour; and his attention was directed to a site, in respect of its advantages for a *trading depôt*, and with no other object in view.

The extracts of reports which are enclosed along with this letter, contain no information whatever as to the country, and relate exclusively to the progress of the Fort Victoria settlement, and to its fitness for the purposes for which it was founded: they have no relation whatever to the question put by Earl Grey.