

the island; and that the Company shall reserve for the use of Us, Our heirs and successors, all such land as may be required for the formation of naval establishments, We, Our heirs and successors, paying a reasonable price for the same; and that the said Company shall, once in every two years at the least, certify under the seal of the said Governor and Company, to one of Our Principal Secretaries of State, what colonists shall have been from time to time settled in the said island, and what land shall be disposed of as aforesaid:

And We further declare, that this present grant is made upon this condition, that if the said Governor and Company shall not, within the term of five years from the date of these presents, have established upon the said island a settlement of resident colonists, emigrants from the United Kingdom of Great Britain and Ireland, or from other Our dominions; and it shall at any time, after the expiration of such term of five years, be certified to Us, Our heirs or successors, by any person who shall be appointed by Us, Our heirs or successors, to inquire into the condition of such island, that such settlement has not been established according to the intent of this Our grant, or that the provisions hereinbefore mentioned respecting the disposal of land, and the price of lands and minerals, have not been respectively fulfilled, it shall be lawful for Us, Our heirs and successors, to revoke this present grant, and to enter upon and resume the said island and premises hereby granted, without prejudice, nevertheless, to such dispositions as may have been made in the meantime by the said Governor and Company of any land in the said island for the actual purpose of colonization and settlement, and as shall have been certified as aforesaid to one of Our Principal Secretaries of State:

And We hereby declare, that this present grant is and shall be deemed and taken to be made upon this further condition, that We, Our heirs and successors, shall have, and We accordingly reserve unto Us and them, full power, at the expiration of the said Governor and Company's grant or license of or for the exclusive privilege of trading with the Indians, to re-purchase and take of and from the said Governor and Company the said Vancouver's Island and premises hereby granted, in consideration of payment being made by Us, Our heirs and successors, to the said Governor and Company, of the sum or sums of money theretofore laid out and expended by them in and upon the said island and premises, and of the value of their establishments, property and effects then being thereon.

In witness whereof, We have caused these Our letters to be made patent. Witness Ourselves, at Westminster, the 13th day of January 1849, in the twelfth year of Our reign.

By Writ of Privy Seal.

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—No. 2.—

COPY of a LETTER from *B. Huxes, Esq., M.P.* to *Sir John Pelly, Bart.*

Sir,

Downing-street, 4 September 1848.

REFERRING to my letter of March 13th,\* in which I expressed to you Lord Grey's readiness to entertain any proposal for the grant of Vancouver's Island to the Hudson's Bay Company, "proceeding on the principle which you have suggested, that the Company shall not derive any pecuniary profit from the undertaking, but shall apply all funds arising from the sale of lands or minerals towards the colonization and improvement of the island," I am now directed by Earl Grey to observe, that while he himself feels no doubt that, under the terms of the grant already proposed, it would neither be the inclination of the Hudson's Bay Company, nor in their power, even if so inclined, to depart from this understanding, as to the objects with which the grant to them of Vancouver's Island was contemplated, it appears to his Lordship, that it might be for the interest of the Company, in order not to leave any grounds for the jealousy of their intentions, which it appears, from recent Parliamentary discussions, is entertained in other quarters, that there should be introduced into the grant a formal condition

that

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\* Page 13, Papers on Vancouver's Island, No. 619; 1848.