

You are aware that the land so claimed by them consists of 3,084 acres, with Fort Victoria and other buildings erected thereon, and that the whole is registered in the name of this company. You will distinctly understand, therefore, that the present authority does not extend to any part of the property registered in the name of this company, or to any part which has already been conveyed to other parties.

As it is necessary that the conveyances to purchasers should be under the seal of this company, and as this company have not the power to delegate the use of their seal to any person whatever, it will be necessary that the conveyances of the property you may dispose of under the present authority should be sent over here, as in all former cases, for the seal of this company to be affixed to them; but you will consider the present communication as an engagement on the part of this company to give effect to anything you may do within the scope of the authority now delegated to you.

It is of course understood that in anything you may do you are to act altogether under the instructions of Her Majesty's Government, from whom you will no doubt have already received the necessary advices.

I have the honor to be,

Your Excellency's very obedt. Servant.

(Signed)

H. H. BERENS,

His Excellency JAMES DOUGLAS, C.B., &c., &c., &c.

Governor.

No. 1.

DOWNING STREET, 2d January, 1860.

Sir :

With reference to your despatch, No. 47, of 12th of September last, and my answer of the 1st ultimo relative to the erection of public buildings in Vancouver Island. I now transmit you copy of a letter from Mr. Berens commenting on your despatch on behalf of the Hudson's Bay Company and of the answer which I have caused to be addressed to that gentleman.

You will observe that it is necessary that your report on the whole subject should be full and explanatory, as the matter is one involving serious considerations.

You will also observe strictly the caution expressed in that letter, and let it be fully understood that Her Majesty's Government are not prepared to recognize any private ownership of soil in Vancouver Island by the company by any title anterior to the grant. It must rest with the company to take such steps in vindication of such supposed title as they may think proper.

You will further furnish me with as little delay as possible a report in which the land claimed by the company in Vancouver Island by anterior title is distinguished from such land as they may have acquired in their private capacity, and in accordance with the land sales regulation since the date of the grant. On this subject I have to refer you to your despatch of 15th July, 1858, containing a return of "Land sold to an individual or company," in which the Hudson Bay Company appear as purchasers of several specified lots.

I have, etc.

(Signed)

NEWCASTLE.

GOVERNOR DOUGLAS, &c., &c.

HUDSON BAY HOUSE,
London, December 16, 1859.

My Lord Duke :

I have the honor to acknowledge the receipt of Mr. Merivales letter of the 7th inst. in which he informs me that Governor Douglas has reported with respect to the advance of \$27,000 made by Mr. Dallas, the representative of this company in Vancouver Island, to defray the expense of public buildings at Victoria, that it was met by the surrender to Mr. Dallas of the site of the old public offices on condition of his