

The naval reserve embraces, as we believe, about 780 acres, although the Government of British Columbia claims that it should include only 120 acres; but all of the evidence we have been able to obtain indicates that the first named figures are substantially correct.

I trust that we may be informed, as soon as possible, whether or not the property may be secured by the company, and upon what terms.

I have the honor to be, Sir, your obedient servant,

W. C. VAN HORNE, *Vice-President*.

Hon. Sir D. L. MACPHERSON, K.C.M.G., Minister of the Interior.

*The Earl of Derby to the Governor General.*

DOWNING STREET, 27th January, 1885.

MY LORD,—With reference to my despatch (No. 119), of the 2nd August last, and to previous correspondence, I have the honor to transmit to you, for communication to Your Lordship's Government, a copy of a letter from the Admiralty respecting the reserve in English Bay, in British Columbia.

I should be glad to receive the observations of your Government in regard to the proposal of the Admiralty in respect to the reserve referred to.

I have, &c.,

DERBY.

Governor General the Most Hon. the Marquis of Lansdowne, G.C.M.G., &c., &c.

*The Admiralty to the Colonial Office.*

ADMIRALTY, 15th January, 1885.

SIR,—With reference to my letter of the 29th July last (D. W. 2912), on the subject of the reserves in British Columbia, I am commanded by the Lords Commissioners of the Admiralty to acquaint you that at the time they consented to relinquish certain of these reserves, retaining only a plot of 110 acres at Port Moody, they were under the impression that the terminus of the Canadian Pacific Railway would be close to the reserve in question.

2. They have now received a report from the Commander in Chief on the station, stating that the terminus is likely to be at English Bay, and if this is the case the reserve plot at the entrance of Burrard Inlet, marked (A) on the plan, which they consented to resign, would be of far greater value to the navy than the one they retained.

3. Under the altered circumstances, I am to express their Lordship's hope that it is not too late for them to resume possession of the reserve in English Bay, and if so, I am to suggest it would, perhaps, be better that both the reserves referred to should be retained by them, until such time as the position of the terminus is definitely settled, when they would be better able to decide which should be retained by them in the interests of Her Majesty's navy.

I am, &c.,

EVAN MACGREGOR.

Under Secretary of State, Colonial Office.

*The Earl of Derby to the Governor General.*

DOWNING STREET, 2nd August, 1884.

MY LORD,—With reference to my despatch (No. 39) of the 27th of March last, and to previous correspondence respecting the proposed surrender of certain lands reserved for naval and military purposes in British Columbia, I have the honor to transmit to you, for communication to Your Lordship's Government, a copy of a letter from the Admiralty, proposing a certain exchange of plots of lands at Esquimalt.