

"desire to receive of lands belonging to the British Crown in the Oregon territory."

In my reply to that communication, dated March 5, and with reference to what from some casual conversations with your Lordship I had conceived was your opinion, I proposed a grant which might appear extensive, but I did this not with the view of obtaining for the Hudson's Bay Company any advantage, for, as I have already said, they as a Company require no more for the purpose of carrying on their trade than was asked in my letter of the 7th September 1846, and assented to by your Lordship.

When I understood that you were desirous that a part or the whole of the country recently confirmed to Great Britain should be colonized, I was induced to propose that the whole should be included in a grant to the Hudson's Bay Company, because I was persuaded that the colonization would be much more successfully conducted under the auspices of the Company than it could be in any other manner, as I foresaw serious difficulties, should different parts of the territory be colonized under different authorities.

As to the territory lying eastward of the Rocky Mountains, and between the Arctic Sea and the Company's territories (from which it is separated by no defined or definable boundary), though its addition to the grant gives the latter a formidable appearance in point of extent, it is little better than a barren waste. It is besides inaccessible, except through the Company's territories, or by crossing the Rocky Mountains from the westward.

My object in proposing this tract of country to form a part of the grant was, that its annexation to Rupert's Land, held of the Crown as of the manor of East Greenwich in free and common soccage, and not in capite or knights' service, would place the whole territory north of 49°, the American boundary line, under one governing power, and thereby simplify any arrangements respecting any part or parcel of the same; but, if your Lordship should be still of opinion that the grant is too extensive, the Hudson's Bay Company are willing that it should be limited to the territory north of 49°, bounded on the east by the Rocky Mountains, or even to Vancouver's Island alone. In fact, the Company are ready and willing to give every assistance in their power to promote colonization, and in any way in which your Lordship may be of opinion that their services can be made available towards that important object.

On that part of Mr. Hawes's letter, in which it is assumed that the value of the coal in Vancouver's Island will form a material consideration on the part of the Hudson's Bay Company in any negotiation that may take place on this subject, I have only to observe, that the Company expect no pecuniary advantage from colonizing the territory in question. All monies received for land or minerals would be applied to purposes connected with the improvement of the country, and, therefore, if the grant is to be clogged with any payment to the mother country, the Company would be under the necessity of declining it.

I have, &c.

(signed) *J. H. Pelly.*

—No. 10.—

COPY of a LETTER from Sir *J. H. Pelly*, Bart., to Earl Grey.

(Private.)

My Lord,

Hudson's Bay House, 4 March 1848.

I HAVE to acknowledge the receipt of your private letter of the 25th February, which came with Mr. Hawes' official letter of the same date. I certainly understood, in the conference I had with your Lordship on the subject of colonizing the territory north of 49°, that you considered my proposition too large, and I expected a modification of it from your Lordship, but I am quite ready to admit that I was in error in this expectation. I shall therefore briefly state why I asked for so extensive a grant.

In considering the subject, I did not see how the territory west of the Rocky Mountains could properly be separated into parts for the purpose of colonization. If I had confined myself to the islands west of the continent or

No. 10.
Sir *J. H. Pelly*,
Bart., to Earl Grey.
4 March 1848.