

VICTORIA, V. I., 15th Feb., 1861.

Sir:

I have the honor to acknowledge receipt of your letter of the 11th instant, and to state that I have no more definite reply to give to your communication of the 31st ultimo than is conveyed in my letter of the 4th instant.

Of the 200 feet water front required for the harbor master, a portion was sold shortly after the public sale on 23rd ultimo. Lot 15, measuring about 50 feet frontage, is still unsold, and will remain so, being let to a tenant. The remainder, about 32ft, is in the occupation of the company, as it has been for a length of time, and is required for the uses of their business.

Irrespective of the question of right, the Hudson's Bay Company would be at all times ready to surrender to Her Majesty's Government any reasonable quantity of land required for public use; but when, as upon a former occasion, land is demanded for the purpose of resale to a profit, I am not prepared to admit the propriety of the request.

The want of good faith on the part of His Excellency in the transaction referred to in my letter of the 4th instant is my apology and substantial reason for declining to involve myself again in a similar manner, more especially as the tenth part of the water frontage demanded would supply all the reasonable requirements of the harbor master.

The reservation of the land in question is demanded by His Excellency as a matter of public right. On a former occasion His Excellency assumed a position which he could not maintain in demanding as a right that the company should continue to provide funds for colonial expenditure after expiry of the charter of grant. In my anxiety to meet his wishes, I conceded the point contrary to my own judgment. The opinions of the Duke of Newcastle and the result of my consequent applications for an adjustment of the account, as set forth in the 7th paragraph of my letter of 4th instant, caution me to make no more concessions to an assumed right pending a reference to the Governor and Board of Directors in London.

I cannot remain silent under the implied and groundless charge of illiberality against the Hudson's Bay Company conveyed in the 4th paragraph of your letter, being ignorant and unconscious of any act which can be construed as such. On the means and resources of the company the colonies of Vancouver Island and British Columbia were founded, and for a time supported. The result has been disastrous to the company in an almost total disorganisation and annihilation of its ordinary business, in unpaid accounts and disputed rights. To the injustice and illiberality of His Excellency I attribute a large portion of this result. It is in no illiberal spirit that I now decline to meet His Excellency's wishes, but from an entire want of confidence, engendered by the circumstances referred to in the 6th and 7th paragraphs of my letter of the 4th February.

I have, etc.,

A. G. DALLAS.

W. A. G. YOUNG, Esq.,
Act. Colonial Secretary.

COLONIAL SECRETARY'S OFFICE,
18th February, 1861.

Sir,

I have the honor to acknowledge the receipt of your letter of the 15th instant, which I have duly laid before His Excellency the Governor.

2. His Excellency gathers from that communication that you decline to make the reservation of certain land required for public purposes until the question of the right of the Hudson's Bay Company to deal with such land can be determined by higher authority.