

PART I.

VANCOUVER ISLAND. }
No. 26.

DOWNING STREET,
28th JUNE, 1860.

Sir,

You have been already informed that a correspondence has been for some time in progress between Her Majesty's Government and the Hudson's Bay Company on the subject of the resumption by the former of Vancouver Island, and the amount which, on such resumption would be payable to the Company under the stipulations of the grant of 13th January, 1849.

By the terms of that grant the Crown was entitled, at the expiration of the Hudson's Bay Company's license of exclusive trade, to repurchase Vancouver's Island on repayment to the company of the sums of money expended by them upon the Island, and of the value of their establishment, property and effects thereon. The license of exclusive trade expired on 13th May, 1859, and in anticipation of its termination Her Majesty's Government gave notice to the company, in the close of 1859, of the intention of the Crown to resume the Island, and requested them to send in a statement of the amount of which they would be entitled to claim repayment. The claim which they sent in in the first instance embraced the whole of their expenditure and amounted to £225,699, but on being informed that Her Majesty's Government declined to take over any of the establishments or property connected with their commercial transactions, they furnished an amended account, comprising only three items, viz.:

1. The balance due on account of Public Works and Establishments amounting on 31st December, 1857.	£ 8,505 6 11
2. The cost of sending out settlers	25,559 6 0
3. The expense of searching for coal at Fort Rupert	12,469 4 7
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	£46,524 11 6

The company however have since intimated that they do not wish this to be taken as a final restriction on their part of their claims to those enumerated in this list.

To the two first items (assuming the details to be supported by vouchers) Her Majesty's Government did not object, but the third appeared to them to stand on a different footing. It is unnecessary to trouble you with a detail of the correspondence that ensued, it is sufficient to state that Her Majesty's Government being convinced after full consideration that a further and indefinite delay in the settlement of the matter would be detrimental to public interests, and that an examination of the matter on the