holden of us, our heirs and successors, in free and common soccage, at the yearly rent of 7 *s.*, payable to us and our successors for ever, on the 1st day of January in every year: Provided always, and we declare, That this present grant is made to the intent that the said Governor and Company shall establish upon the said island a settlement or settlements of resident colonists, emigrants from our United Kingdom of Great Britain and Ireland, or from other our dominions, and shall dispose of the land there as may be necessary for the purpose of promoting settlements (and for the actual purpose of promoting settlements), and for the actual purposes of colonization, and shall, once in every two years at the least, certify under the seal of the said Governor and Company, to one of our Principal Secretaries of State, what colonists shall have been from time to time settled in the said island, and what land shall have been disposed of as aforesaid: And we further declare, that this present grant is made upon this condition, that if the said Governor and Company shall not, within the term of five years ftom the date of these presents, have established upon the said island a settlement of resident colonists, emigrants from the United Kingdom of Great Britain and Ireland, or from other our dominions, and it shall at any time, after the expiration of such term of five years, be certified to us, our heirs or successors, by any person who shall be appointed by us, our heirs or successors, to inquire into the condition of such island, that such settlement has not been established according to the intent of this our grant, it shall be lawful for us, our heirs and successors, to revoke this present grant, and to enter upon and resume the said island and premises hereby granted, without prejudice, nevertheless, to such dispositions as may have been made in the mean time by the said Governor and Company of any land in the said island for the actual purposes of colonization and settlement, and as shall have been certified as aforesaid to one of our Principal Secretaries of State: And we hereby declare, that this present grant is and shall be deemed and taken to be made upon this further condition, that we, our heirs and successors, shall have, and we accordingly reserve unto us and them, full power, at the expiration of the said Governor and Company's grant or license of or for the exclusive privilege of trading with the Indians, to repurchase and take of and from the said Governor and Company the said Vancouver's Island and premises hereby granted, in consideration of payment being made by us, our heirs or successors, to the said Governor and Company of the sum or sums of money theretofore laid out and expended by them in and upon the said island and premises, and of the value of their establishments, property and effects then being thereon. In witness whereof, we have caused these our letters to be made patent. Witness Ourselves at Westminster the day of in the year of our reign.

—No. 13.—

Copy of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

No. 13.
B. Hawes, Esq., to Sir J. H. Pelly, Bart.
31 July 1848.

Sir, Downing-street, 31 July 1848.

I am directed by Earl Grey to inform you, that he sees no reason to object to the draft of the grant of Vancouver's Island to the Hudson's Bay Company, which was forwarded to this department with your letter of the 20th of this month, and he will be prepared to take the proper steps for the formal execution of the grant in these terms so soon as the other arrangements required for the settlement of the island shall be finally agreed upon.

With this view it will, in the first place, be necessary to provide for the government of the colony, which the Company undertakes to found on the island, and to make provision also for the establishment of legislative authority among the colonists. It appears to his Lordship, as has been already explained to you in the interviews which have taken place on this subject, that, with reference to the probable circumstances of the future settlement, the best course which suggests itself is, to confer on the emigrants the same powers of local self-government which it was usual to grant to the settlers in new colonies in the earlier days of our colonial history. With this view, it is proposed that a Commission, as nearly as possible in the same form as those granted to the first Governors of Jamaica, should be issued to a Governor, who must be appointed by the Crown, though in the selection of the person to be recommended to Her Majesty for the office, Lord Grey would think it right to be guided in a great measure by the wishes of the Company. By such a Commission the Governor would be directed to summon an Assembly, elected by the general votes of the inhabitants, to exercise, in conjunction with himself and a Council nominated in the usual manner, the powers of legislation. Provision is already made for establishing a judicial authority under the "Act for establishing a Criminal and Civil Jurisdiction in certain parts of North America," 1 & 2 Geo. 4, c. 66.

Lord