

fence. Mr. Tiedeman, an employee of the land office, warned the men that they were committing a trespass upon the Government property, and were doing that which might lead to a breach of the peace. They desisted, and, I am told, that thereupon Mr. Lowenberg became very violent and assaulted Mr. Tiedeman. Mr. Tiedeman laid an information against him and he was taken into custody. This I believe to be the whole sum and substance of the proceeding characterized as an "outrage" upon the part of the Government by Mr. Berens, but which I, probably with greater accuracy, might designate as an attempt upon the part of the Hudson's Bay Company to repossess themselves of the Government reserve, Mr. Lowenberg being merely their agent or instrument in the first step taken.

4. Mr. Berens does not state that the land purported to have been sold to Mr. Lowenberg by Mr. Dallas was a portion of the Government reserve, he represents it to have formed part of a farm which had long been under cultivation by the servants of the company and had been cropped by them for a series of years and that it "adjoined" the Government reserve from which it was "separated" by a "ditch or fence." In 1858, when the Hudson's Bay Company surveyed off into lots and sold the town site of Victoria, this government reserve, consisting of 10 acres more or less was laid out and marked with conspicuous posts upon the ground, some of which remain to this day; and when the plan of the town was made it was duly included therein. A portion of the reserve might or might not once upon a time have been considered to be included within the limits of the company's farm, but if the lines of the reserve did extend so far back as to encroach upon the lands of the farm, they were taken so designedly in the first instance, by the company's agents to the advantage of the company, by enabling them to utilize and sell as town lots an increased frontage on the water. Certain it is that the cultivation of this portion of the farm represented by Mr. Berens to have existed was not continued after the land was laid out as a government reserve. The portion in question was not separated either by a ditch or fence from the land occupied by the Government, for neither exists, unless indeed a drain or trench about 2ft. wide, to carry off the surface accumulation of water during the winter can with consistency be termed a ditch. Mr. Berens says a *proposal had been made* to form a street which passed through the farm, and severed this piece from the remainder of the farm. The "*proposed*" street was actually laid out and lots upon it facing the Government reserve sold in 1859. The map upon which the lots were exhibited and sold by the company containing the lines of the Government reserve as originally laid down, the rear line in 1859 forming part of one side of the "proposed" street. For convenience and a better comprehension of this point I forward a plan of the locality.

5. I cannot believe that Mr. Berens could be aware of all these matters when he penned the letter now under consideration. It would seem to have been the policy of Mr. Dallas, who sold the Land, to deprive both the Government and the Public of the Lands originally reserved to them and to restore the power of the Hudson's Bay Company to deal with the Land. The attempt to sell the Public Springs, Public Park, etc., detailed in my Despatch No. 50, afford strong evidence of this. Your Grace is well aware of the manner in which my recent application was met for a site for a Public Wharf and Harbor-master's Office. The Governor of the Hudson's Bay Company then instantly repudiated any desire on the part of the company to interfere with the requirements of the Public, and I would fain believe that he will now, upon becoming possessed of the real facts of the case, as instantly repudiate the attempt to deprive the Government of a piece of ground required for public purposes, and so allotted and marked out in 1858; the more especially as Mr. Berens himself recognizes the Reserve in his letter to your Grace of the 16th December, 1858, wherein he says: "The land upon which Governor Douglas is erecting the new Public Offices has also been represented by that gentleman to be government property; but I have reason to know that it is part of the land held by the Fur Trade long prior to the grant from the Crown. The company,