

The boundary line to the west of the Rocky Mountains, was still unsettled; but by treaty of 50th June, 1858, with the United States, this line was "continued along the 49 deg. parallel westward to the 'middle of the channel which separates the continent from Vancouver Island, and thence through the middle of said channel and up Fuca Straits to the Pacific. The whole of said channel and Straits to be 'free and open to both parties."

#### GRANT OF VANCOUVER ISLAND.

The grant of Vancouver Island originated in a request from the Hudson's Bay Company, after the above treaty for the division of Oregon Territory had been concluded. The first letter containing this request is addressed to Lord Grey, 7th September, 1846, and states, that the company have founded and are annually enlarging an establishment (Victoria) on the south point of the Island.

This letter was followed up by a long correspondence, and the negotiations were pending for nearly two years, during which period they were interrupted for nearly a year, (from March, 1847, to February, 1848.) Instead of its first request to be confirmed in the possession of Vancouver Island, the Company had gradually extended its desires and its demands; and was now "willing to undertake the government 'and colonization of all the territories belonging to the Crown in 'North America, and receive a grant accordingly." (Letter from Sir J. H. Pelly, chairman of the H. B. Co., to Earl Grey, 5th March, 1847.)

Such a formidable proposal rather startled his Lordship, and the negotiations were broken off, as said before. They were, however, renewed in February, 1848, and things explained. "The proposal by 'placing the whole territory north of 49 deg. under one governing 'power, would have simplified arrangements; but the Company was 'willing to accept that part of the territory west of the Rocky Mountains, or even Vancouver Island alone; in fact to give every assistance