

to work any coal they might find on paying to the Company a duty of 2s. 6d. per ton, and a duty of 10d. per load was to be paid on all timber exported. In June, 1849, the first batch of colonists under this system arrived, and they consisted of eight men brought out by myself; and from that day to this not a single other independent colonist has come out from the old country to settle in the island—all the other individuals, who have taken up land, having been in the employ of the Company, and brought out to the country at its expense.

In the Harpooner, in June, 1849, there were brought out by the Hudson Bay Company eight miners to work their coal mines at Fort Rupert, at the northern end of the island, who were to be paid a certain salary, from 50l. to 60l. per annum, and, in addition, were to get an extra allowance for every extra quantity of coal they got. There also came out in the same vessel two additional labourers to the Hudson Bay Company's establishment. On my arrival in the island all the land in the neighbourhood of Victoria and Esquimalt, which comprised some 40 square miles, and contained nearly all the available land then known, was reserved by the Hudson Bay and Puget Sound Companies. Matchousin, distant 11 miles from Victoria, was pointed out to me as the nearest unclaimed spot on which I could settle; not approving of which, as there was neither a harbour nor mill-power there, I was recommended to proceed to Soke, distant 26 miles. ✓

The ship *Norman Morrison*, in 1850, brought out about eighty souls, who were entered as immigrants. In 1851 the *Tory* arrived with about 100 hired labourers. Of these parties, shipped as emigrants, the majority find their way to the opposite American side; and of the 400 men who have been imported in all during the past five years, about two-thirds may be said to have deserted, one-fifth to have been sent elsewhere, and the remainder to be at present employed on the island. By the Hudson Bay and Puget Sound Companies there are at present employed 45 at and in the neighbourhood of Victoria, 37 at Nanaimo, and 20 officers and men at Fort Rupert.

The population of the Island in the end of the year 1853 was about 450 souls, men, women, and children; of these, 300 are at Victoria, and between it and Soke; about 125 at Nanaimo; and the remainder at Fort Rupert.

3. *Distribution of Land, Nature of Soil, Crops, Climate.*

The gross quantity of land applied for in the island up to the end of the year 1853 was 19,807 acres and 16 perches, of which 10,172 had been claimed by the Hudson Bay Company, 2374 by the Puget Sound Company, and the remainder by private individuals. These lands may be classed as follows:—