

PART II.

58

VICTORIA, 8th August, 1861.

My Lord Duke,

I have the honor to forward to you herewith correspondence and documents as described in an accompanying schedule in connection with a recent application made on behalf of this Government to the Supreme Court of Civil Justice of Vancouver Island, for an injunction to restrain the Hudson's Bay Company from further dealing with the land claimed by them under a possessory title prior to charter of grant.

2. The documents very clearly exhibit the nature of the case, but it may be desirable that I should glance at the different heads and explain the application to the local court.

3. As your Grace is aware from previous correspondence the Hudson's Bay Company claim certain sections of land in Vancouver Island amounting in the whole to about 3084 acres, as being their private property by occupation prior to the grant to them of the island under the charter of the 13th January, 1849. Her Majesty's Government reject this claim, and do not recognise any title to land in Vancouver Island other than that conveyed under the charter. The case has been referred to the Judicial Committee of the Privy Council for decision.

4. On the 27th April last the Surveyor-General addressed me a letter representing that notwithstanding the claim of the Hudson's Bay Company to the land in question was admittedly in dispute the company were still dealing with the land in all respects as if it were indisputably their private property, and not only so but that they were carrying these dealings to such an extent as to involve a breach of faith both towards former purchasers for value and the public as well as towards the Government, inasmuch as the map under which they had originally laid out and sold the town site, and which had become the official map of the town, having been accepted and registered in the Land Office, was disregarded by the company, portions of land laid off on that map as streets and public reserves, and even a portion of the government reserve upon which stand the government offices having been recently sold by private contract, and further that the company were daily disposing by private contract of the different unsold portions of the before mentioned land.

5. I forwarded the Surveyor's General's letter for the opinion of the Attorney-General. That functionary reported that if the case was as represented the necessary steps could at once be taken for putting a stop to such proceedings.

6. Upon consultation with the Attorney-General, and understanding the caution conveyed to me in your Grace's despatch No. 1, of the 2nd January, 1860, respecting