

7. I also appointed Mr. George Perrier, a British subject, as Justice of the Peace for the district of "Hill's Bar," and directed the Indians to apply to him for redress whenever any of them suffer wrong at the hands of white men, and also cautioned them against taking the law into their own hands, and seeking justice according to their own barbarous customs.

8. I also appointed Indian magistrates, who are to bring forward, when required, any man of their several tribes who may be charged with offences against the laws of the country; an arrangement which will prevent much evil; but without the exercise of unceasing vigilance on the part of the Government Indian troubles will sooner or later occur.

9. The recent defeat of Colonel Steptoe's detachments of United States troops, consisting of dragoons and infantry, by the Indians of Oregon territory, has greatly increased the natural audacity of the savage, and the difficulty of managing them. It will require, I fear, the nicest tact to avoid a disastrous Indian war.

10. I transmit herewith a hand book and map of the Gold Region of Fraser's River, which will prove useful as a reference. Vide Appendix No.

Enclosure.

I have, &c.

(Signed) JAMES DOUGLAS,

Governor.

The Right Hon. Lord Stanley, M.P.,
&c. &c.

Enclosure in No. 4.

Enclosure in
No. 4.Extract from "*Pioneer and Democrat*."

May 28th, 1858.
Washington Territory.

"Another Indian War.—Startling Intelligence. Defeat of Col. Steptoe. Fifty-three Men killed.

"JUST as we are getting our paper ready for the press (Thursday afternoon), an express arrived from the head-quarters of Col. Steptoe in the Simcoe Valley, with despatches for Lieut. Col. Casey, and letters to His Excellency Gov. M'Mullin, informing them of the defeat, on the 16th instant, at the first crossing of Snake River, about 30 miles above its junction with the Columbia, of the command of Col. S. The command consisted of five companies or 400 men. The Indians are reported as having been 1,500 strong, and composed of the Snake, Palouse, and other tribes. The action resulted in three officers and 50 men killed. Two of the officers killed are Capt. Wynders and Lieut. Gasden. The Indians took two howitzers which belonged to the command, and all but 60 pack animals. In fact, so complete is said to have been the rout, that the officer in command was compelled to fall back with the utmost precipitation. The battle took place while the regulars were in the act of crossing the river.

"Col. Steptoe had proceeded into the Snake country peaceably to treat with them, or proceed to hostilities, if necessary. The object of his visit was probably of a similar character with that of Major Haller, some three years since, and which resulted in a like unfortunate manner. Major H., our readers will remember, proceeded thence with a force of 104 men, and in a peaceable manner demanded the murderers of the emigrants of 1854. The result was, that instead of bringing to justice these depredators and murderers, he brought home the bodies of 22 of his command, killed or wounded, on litters."

No. 5.

No. 5.

COPY of DESPATCH from Governor DOUGLAS to the Right Hon. Lord STANLEY, M.P.

(No. 28.)

Victoria, Vancouver's Island, June 19, 1858.

(Received August 9, 1858.)

MY LORD,

(Answered No. 8. August 14, 1858, page 47.)

1. I FEAR the frequent and desultory nature of my Despatches will give you much trouble, but the pressure of business compels me to address you in this form.

2. Reports are continually arriving here confirmatory of the extent and value of the Fraser's River Gold Region; and Captain Stuart, of the Hudson's Bay Company's Service, has just reported the discovery of gold in the Cowetchin Valley, Vancouver's Island, on the authority of Indian testimony.

3. Another report has just been made officially by Mr. Brotchie, that he saw and examined the contents of a purse, containing about 20% worth of gold dust, which an Indian had collected in Howe's Sound or Burrard's Canal, situated in the Gulf of Georgia, a little north of Fraser's River; a fact which adds force to the opinion expressed in the 18th paragraph of my Despatch No. 24.* of the 10th of June 1858, respecting the * Vide page