

12 CORRESPONDENCE *relative to the* DISCOVERY of GOLD in the

Encl. 1 in No. 9.

Enclosure 1 in No. 9.

EXTRACT of LETTER from JAMES DOUGLAS, Esq., to W. G. Smith, Esq., dated Victoria, Vancouver's Island, March 22, 1858.

"The winter has been remarkably dry and mild, and the farmers generally report their stock to be in fair condition for the season. Seed time has commenced in earnest, and with the most favourable weather for that important operation of husbandry. There is, however, a great scarcity of labourers, as nearly the whole floating population of the colony have moved off towards the Thompson's River gold mines.

"There will be much suffering in that quarter for want of food, as the country is without resources, and the transport from the sea coast is difficult and expensive.

"I trust Her Majesty's Government will take measures for the prevention of crimes, and the protection of life and property in that quarter, or there will, ere long, be a large array of difficulties to settle.

"A great number of Americans have also gone towards Thompson's River, and others are preparing to follow.

"I have written to Her Majesty's Government on that subject, and shall not fail to communicate with you as soon as I receive their reply."

Encl. 2 in No. 9.

Enclosure 2 in No. 9.

EXTRACT of LETTER from JAMES DOUGLAS, Esq., to W. G. SMITH, Esq., dated Victoria, Vancouver's Island, March 25, 1858.

"I returned from Fort Langley on the 16th instant, having despatched a party to build Fort Dallas, and another party with a further supply of trade goods for Thompson's River.

"Mr. Simpson's transport party had experienced some difficulty above the Falls, and lost two canoes which were dashed to pieces on the rocks, but the property was saved and no lives were lost. We have received no more definite tidings from the gold country than we before possessed.

"An experienced miner whom I met at Fort Langley, assured me that the country was much richer in gold than the Colville District. The principal diggings are on the banks of Fraser's River, about 5 miles above the Forks, and the natives beyond that point are said to have found gold. The country is in fact but imperfectly known, and it is hardly possible to give any decided opinion at present in regard to the ultimate yield of gold. The bed rock, and other geological features of the country as described by the miner in question, would, however, lead one to believe that the district will be found productive of gold. He perfectly described the older slate formations thrown up and pierced by quartz, granite, and porphyry beds, and the vast accumulations of gravel and shingle extending from the roots of the mountains to the banks of Fraser's River, and its affluents; which are all characteristics of the gold districts of California and other countries."

No. 10.

No. 10.

EXTRACT of a DESPATCH from Governor DOUGLAS to the Right Hon. HENRY LABOUCHERE, dated Victoria, Vancouver's Island, May 8, 1858.

(No. 19.)

SINCE I had the honour of addressing you on the 6th of April last on the subject of the "Couteau" gold mines, they have become more than ever a source of attraction to the people of Washington and Oregon territories, and it is evident from the accounts published in the latest San Francisco papers, that intense excitement prevails among the inhabitants of that stirring city on the same subject.

The "Couteau" country is there represented and supposed to be in point of mineral wealth a second California or Australia, and those impressions are sustained by the false and exaggerated statements of steamboat owners and other interested parties, who benefit by the current of emigration which is now setting strongly towards this quarter.

Boats, canoes, and every species of small craft, are continually employed in pouring their cargoes of human beings into Fraser's River, and it is supposed that not less than one thousand whites are already at work and on the way to the gold districts.