

white miners, and hundreds of other persons are travelling towards the Gold Mines, and preparing to join them.

10. The country, nevertheless, continues quiet; and, notwithstanding our want of physical force, I have not scrupled in all cases to assert the rights of the Crown, and to enforce the laws of the land for the punishment of offences; and we have, thanks to the Almighty, encountered neither resistance nor opposition in the discharge of those sacred duties.

11. To supply the mining population of Fraser's River with food, we have licensed two American steam vessels to ply upon the waters of Fraser's River, and one of those vessels has succeeded in reaching the Falls, or Fort Yale, about one hundred and thirty miles from the discharge of the Fraser into the Gulf of Georgia.

12. The agents of the Hudson's Bay Company have laid in large quantities of mining tools and provisions for the use of the miners, which they supply at merely remunerative prices, greatly to the advantage and satisfaction of the mining population.

13. Notwithstanding the great number of people assembled in Fraser's River, it does not appear that there has been a large production of gold, as most of the river bars are still inundated: nevertheless the miners have unwavering faith in the richness of the country, and are in great spirits in anticipation of an early fall in the river.

14. I have accounts of 5,000 ounces of gold dust which have been actually exported from Fraser's River since the month of May last, and we have estimated that as much as half that quantity has been carried away in small quantities by return miners, comprising, as I believe, the whole export of gold dust for that period.

15. We are therefore led to believe that the miners are hoarding up their gold dust, either from not being in immediate want of supplies, or more probably from not knowing how to remit or where to place it in security, and for that reason, among many others, I am considering the ways and means of having their earnings conveyed to the sea coast under Government escort, and placing them in charge of a public treasurer, until they are called for by the depositors, the conveyance and other expenses to be defrayed by a charge on the deposits.

16. The advantages expected from that measure are manifold. We hope, for instance, to draw the gold by that means to this Colony, from whence, instead of being exported to other countries, it will find its way to England in return for our own home manufactures.

17. Another important object I have in view is the improvement of the internal communications of the country, which at present are, for all practical purposes, nearly inaccessible beyond Fort Yale, in consequence of a range of mountains running north and south, which there interpose an almost insurmountable barrier to the progress of trade.

18. To the eastward of that range of mountains the country is open, and comparatively level, and the construction of good roads would be a matter of easy accomplishment; in fact, it is even at present almost every where accessible for pack horses.

19. It is therefore evident that the construction of a good road through that mountain barrier, though passable in the first instance only for pack horses, would be of prodigious advantage to the country; and such a road might, I think, be carried through the valley of Harrison's River, at a moderate expense, to a point near the Great Falls of Fraser's River, to the eastward of the mountains in question, from whence the country is easy of access; and should no Instructions militating with that design be in the meantime received from Her Majesty's Government, I will probably make the attempt in course of the present summer.

20. I am not without cause looking forward most anxiously to receiving your Instructions respecting the plan of Government for Fraser's River. The torrent of immigration is setting in with impetuous force, and to keep pace with the extraordinary circumstances of the times, and to maintain the authority of the laws, I have been compelled to assume an unusual amount of responsibility. I trust, however, from the present hasty review of the reasons which have influenced my public measures, that they will meet with the approval of Her Majesty's Government.

The Victoria Gazette of the 24th instant, which I herewith transmit, will give much interesting information respecting the Gold Mines and other public matters.

I have, &c.

(Signed) JAMES DOUGLAS,
Governor.

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