

and to work the gold ; a person acquainted with the Indians should head the expedition, and have an interpreter. The natives on the west or outside of the island are great marauders, and prey on distant tribes, take many prisoners, and make slaves of them.

"I hope you will be satisfied with the reasons I have given for leaving the diggings, and not remaining there so long as you wished. The voyage, however, has done some good ; we have ascertained that gold is to be found by blasting to pay for working it.

"The best or purest gold is to be found deep down in the rock ; we, however, had no time or chance to get at it, as we were obliged to leave, as stated before.

"I remain, &c.

"James Douglas, Esq."

(signed) "W. H. McNeill."

Mr. Douglas writes on the 24th November 1851, that the "Exact," an American schooner arrived at Victoria on the 23d November 1851, *en route* for Queen Charlotte's Island, with 32 passengers, all Americans, and on the 28th December states, that the American sloop "Georgiana" was lately wrecked on Queen Charlotte's Island, with 22 American gold hunters on board ; that the natives plundered the people, but spared their lives, and that an American vessel had sailed from Nisqually to rescue them from the Indians, at the expense of the United States.

Another American vessel, the "Damanscove," arrived at Mitchell's Harbour, but the sight of the Indians frightened them off, and no one landed.

On the 18th March 1852, Mr. Douglas writes, that he is fitting out an expedition to Queen Charlotte's Island to go in the brigantine "Recovery," consisting of five officers and 40 men, under charge of Chief Trader Kennedy, with the following instructions :

"Dear Sir,

"Fort Victoria, 18 March 1852.

"The objects for which the expedition, placed by the Board of Management under your command, has been fitted out, have been so frequently and closely discussed in our personal conferences, that it is merely necessary to remark here, that those objects are all connected with the exploration of Queen Charlotte's Island for the present purpose of gold digging, and the ultimate object of establishing a commercial post, when the situation best adapted for that purpose has been ascertained.

"The expedition consists of the brigantine "Recovery," 42 landsmen and seamen, making, with the officers, a total force of 45 persons.

"You will receive herewith a copy of the agreement entered into with the men, which, you will observe, gives you a wide jurisdiction, and full power to regulate all matters connected with the security and good government of the party.

"The principal difficulty apprehended in the present expedition is the opposition of the natives, who being averse to the working of the mines will throw every possible obstacle in your way.

"The first object to which we think your attention should be directed after your arrival in Mitchell Harbour, is a friendly arrangement with the natives for working the mine, as the policy of the company and the voice of humanity are equally enlisted in behalf of conciliatory measures. We therefore beg to impress upon your mind our earnest wish that all your intercourse with the natives should be marked by a spirit of kindness and forbearance, and that possession of the mines should be secured without bloodshed.

"Among the various plans suggested by our experience of Indian character, there is none that holds out a greater prospect of success than the following, which is briefly as follows :—

"The Indians of Gold Harbour having repeatedly, both to Mr. Work and yourself, agreed to surrender the district about Gold Harbour into our hands for the purpose of building a trading post, you will accept the surrender on those terms, in addition to a reasonable amount of compensation by way of purchase-money. That being effected, let a strong breastwork of rough logs be thrown up around the mine, and warn the Indians that they are not to enter the enclosure without leave. Sentinels should be placed in sufficient numbers to enforce obedience and to keep the Indians from trespassing. Under the protection