

COPY of a DESPATCH from Secretary Sir E. BULWER LYTTON to
Governor DOUGLAS.

(No. 2.)

SIR,

Downing Street, July 1, 1858.

I HAVE to acknowledge your Despatch No. 19, of the 8th ultimo, in continuation of former Despatches, informing the Secretary of State from time to time of the progress of the gold discoveries on Fraser's River, and the measures which you had taken in consequence. I am anxious not to let the opportunity of the present mail pass without informing you that Her Majesty's Government have under their consideration the pressing necessity for taking some steps to establish public order and government in that locality, and that I hope very soon to be able to communicate to you the result.

In the meantime Her Majesty's Government approve of the course which you have adopted in asserting both the dominion of the Crown over this region, and the right of the Crown over the precious metals. They think, however, that you acted judiciously in waiting for further instructions before you endeavoured to compel the taking out of licenses, by causing any force to be despatched for that purpose from Vancouver's Island.

They wish you to continue your vigilance, and to apply for instructions on any point on which you may require them. They are, however, in addition, particularly anxious to impress on you that, while Her Majesty's Government are determined on preserving the rights, both of government and of commerce, which belong to this country, and while they have it in contemplation to furnish you with such a force as they may be able to detach for your assistance and support in the preservation of law and order, it is no part of their policy to exclude Americans and other foreigners from the gold fields. On the contrary, you are distinctly instructed to oppose no obstacle whatever to their resort thither for the purpose of digging in those fields, so long as they submit themselves, in common with the subjects of Her Majesty, to the recognition of Her authority, and conform to such rules of police as you may have thought proper to establish. The national right to navigate Fraser's River is of course a separate question, and one which Her Majesty's Government must reserve.

Under the circumstance of so large an immigration of Americans into English territory, I need hardly impress upon you the importance of caution and delicacy in dealing with those manifold cases of international relationship and feeling which are certain to arise, and which but for the exercise of temper and discretion might easily lead to serious complications between two neighbouring and powerful states.

It is impossible by this mail to furnish you with any instructions of a more definite character. Her Majesty's Government must leave much to your discretion on this most important subject; and they rely upon your exercising whatever influence and powers you may possess in the manner which from local knowledge and experience you conceive to be best calculated to give development to the new country, and to advance imperial interests.

I have, &c.

Governor Douglas,
&c. &c.

(Signed) E. BULWER LYTTON.

APPENDIX.

EXTRACT of a LETTER from JAMES DOUGLAS, Esq., to W. G. SMITH, Esq., Secretary of the Hudson's Bay Company, dated Victoria, Vancouver's Island, February 18, 1858.

"They say that the country is as rich as any part of California, though we have as yet no satisfactory evidence of that fact, there being circumstances indeed which rather favour the opposite conclusion. It is, for instance, well known that the export of gold dust from the state of California exceeded 150,000 ounces during the eight months following the discovery of gold in that country, and that the stream of wealth had in that time forced its way into all the neighbouring countries. We had a good share of it at Fort Vancouver, where we purchased at the Company's shops about 8,000 ounces in the course of a few months, and that formed but a small part of the wealth that had been actually brought into the country.