Enclosure in No. 10.

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Copy of a Letter from James Douglas, Esq., Governor of Vancouver's Island, da ted Fort Victoria, 29th January 1852, to Rear-Admiral Moresby, Commander-in-Chief o Her Britannic Majesty's Naval Forces in the Pacific.

Fort Victoria, 29 January 1852. In my communications to Earl Grey of the 16th December and 29th January, inst. on the affairs of Vancouver's Island, I made known to Her Majesty's Government the projects entertained by certain adventurers of Oregon and California, in reference to Queen Charlotte's Island; and I have since resolved to communicate with you directly on that subject, as the circumstances referred to demand rapid and vigorous measures, and are of such a nature as may authorise you to act without specific instructions.

I informed his Lordship that several vessels had sailed, and that many others were reported to be fitting out in the American ports of Oregon and California for the coast of Queen Charlotte's Island; that those vessels are chartered by large bodies of American adventurers, proceeding thither for the purpose of digging gold; that if they succeed in that object, it is their intention to settle permanently on the island, and establish an independent

dent Government, with the view ultimately of becoming annexed to the United States.

They look forward and are prepared to encounter much opposition from Her Majesty's Government, having confidence in their numbers, which can be recruited to any desirable

extent out of the floating population of California and Oregon.

I despatched one of the Hudson's Bay Company's trading vessels last October to retain possession of a rich vein of gold in Mitchell's Harbour, on the west coast of Queen Charlotte's Island, which had been discovered on a former visit; but the officer in command of the vessel unfortunately did not carry out his instructions, but left the place, after a very short stay, in consequence of difficulties with the Indians; the field, therefore, remains unoccupied, and open to American adventurers, who are reported to have gone thither in great numbers. I have not, however, been able to ascertain the exact number now there, but I can state with certainty that three vessels bound thither, containing about 100 adventurers, besides the ships' crews, and provided with mining implements, lately called at this port for information about the gold region. A large ship from California was also spoken some weeks ago off the Straits of Juan da Fuca, bound to the same quarter, with 250 adventurers on board, and a number of brass field-pieces, for the purpose of coercing the natives, if hostile; so that from all accounts I think there cannot be less

than 500 Americans, well armed and equipped, on the island.

We are now fitting out a vessel for Mitchell's Harbour, which will carry about 40 hands, to watch and report proceedings; but you are aware that I have no force at my command, nor authority to protect national rights on Queen Charlotte's Island.

I imagine Her Majesty's Government will take possession of the mines for the Crown, and establish laws and regulations for the protection of life and property, allowing the mines to be worked on payment of certain royalties. That privilege, I presume, will be conceded to British subjects alone, or to persons professing to be such, and that the subjects and vessels of foreign powers will be entirely excluded from the mines. Delay will add to the difficulty of enforcing regulations such as I have supposed will be adopted by Her Majesty's Government, as the number of adventurers will be continually on the increase; and I am convinced, if left unmolested, they will attempt to wrest that valuable possession from the British Crown.

Whatever force may be sent to Queen Charlotte's Island, should be accompanied by a steam-ship, which I think will be found of incalculable service in guarding the numerous bays and inlets of the coast, where prohibited vessels may lie concealed.

I cannot discover from any authority within reach if foreign vessels touching at Queen Charlotte's Island without a permit will be subject to seizure and confiscation.

The Americans have shown the example by the seizure of the British merchant-ship "Albion," of 600 tons burthen, while her crew were employed cutting timber on the American side of the Straits of Juan da Fuca, which is inhabited by savages alone, and without any Government establishment, such act being considered a violation of the revenue and navigation laws of the United States; and the "Albion" was consequently confiscated, and sold.

This colony is, I am happy to inform you, in a tranquil state, and the Neweete murderers have paid the forfeit of their crimes with their lives, having been put to death by their own

countrymen.

I have, &c. James Douglas, (signed) Governor of Vancouver's Island.

Rear-Admiral, Moresby, Commander-in-Chief of Her Britannic Majesty's Naval Forces in the Pacific.

P.S.--I herewith transmit a sketch of Mitchell's Harbour, Queen Charlotte's Island, for your information.

> J. D. (signed)