

We have discovered and proved by this voyage, that gold is to be found in quantities at Mitchell's Harbour alone to pay an expedition to go there, and work it. I had no opportunity of examining the country much, as we remained but 15 days, during which time I was occupied with the Indians, as no one on board, except myself, could speak to them; we had some bad, boisterous weather during the time also. I saw no place where we could build a fort anywhere near the diggings. The shores near the sea and harbours are bold, steep rocks, down to the water's edge.

Provisions will be found scarce at Mitchell's Harbour; no deer on the island, and fish appears to be very scarce, as they cannot catch them on the outside of the island, except during a calm, or a north-east wind. Potatoes can be had in large quantities, from the Skidigates tribe, who reside on the east side of the island, but can reach the diggings in two days' travel in the summer season.

Should a fort be built, or a ship remain, at the diggings for a length of time, a large number of Indians would collect, and reside near at hand, and give annoyance; therefore a large force of men would be required for protection, and to work the gold; a person acquainted with Indians should lead 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 has, however, done some good; we have ascertained that gold is to be found by blasting to great well 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.

James Douglas, Esq.

I remain, &c.
(signed) *W. H. McNeill.*

— No. 9. —

COPY of a LETTER from Sir *J. H. Pelly* to the Right Honourable Sir *John S. Pakington*, Bart., M.P.

No. 9.
Sir *J. H. Pelly*
to Sir *J. S. Pakington*,
Bart., M.P.
3 April 1852.

Sir,

Hudson's Bay House, 3 April 1852.

ON the 26th ultimo I had the honour of addressing a letter to you, enclosing a copy of a report on the subject of the gold mine discovered in Queen Charlotte's Island, and requesting an interview, to which I have not yet had an answer.

Since then I have received a letter from Mr. Ballenden, the officer in charge at Fort Vancouver, on the Columbia River, of which I enclose an extract, from which you will perceive that the discovery had occasioned great excitement among the American population in that quarter, who were making preparations for a descent on the island.

I have, &c.
(signed) *J. H. Pelly.*

Enclosure in No. 9.

EXTRACT of a Letter from *John Ballenden*, Esq., to *Archibald Barclay*, Esq., dated Fort Vancouver, O. T., 3 February 1852.

Encl. in No. 9.

"THE excitement at Nisqually, and to the north of the Columbia, respecting the gold found in Queen Charlotte's Island, is very great: to the south, along the Willamette River, it is a perfect fever. At Portland alone they are endeavouring to collect about 100 armed men to proceed to the island, set the Indians at defiance, and commence working the mines.

The news will reach San Francisco in a few days, and many idle persons will be found there ready to embark in such adventures."

— No. 10. —

Sir *J. H. Pelly* presents his compliments to Sir *John Pakington*, and begs to hand him a packet, addressed to the late Secretary for the Colonies, which has been received to-day from the Governor of Vancouver's Island, and also the copy of a letter from the Governor to Rear-Admiral *Moresby*, relative to the proceedings and views of American adventurers in regard to Queen Charlotte's Island.

Hudson's Bay House,
3 May 1852.

29 January.