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BRITISH COLUMBIA. once assert the rights of the Crown, protect the interest of the Hudson's Bay Company, and are intended to draw the whole trade of the Gold Districts through Fraser's River to this Colony, which will procure its supplies directly from the Mother Country.

10. With those views I proposed an arrangement on the following terms to the Agents of the United States Pacific Mail Steam Ship Company, who, having steamers of every class connected with their operations in California, and a staff of experienced officers at their disposal, are perhaps better qualified than any other parties for carrying such an arrangement immediately into effect:—

1st. That they should place steamers on the navigable route between this place and the Falls of Fraser's River, 130 miles distant from its discharge into the Gulf of

Georgia, for the transport of goods and passengers to that point.

2d. That they should carry the Hudson's Bay Company's goods into Fraser's River, and no other.

3d. That they carry no passengers except such as have taken out and paid for a gold mining licence and permit from the Government of Vancouver's Island.

4th. That they pay to the Hudson's Bay Company, as compensation to them, at the rate of two dollars head money for each passenger carried into Fraser's River.

5th. That they should otherwise be allowed to enjoy the whole of the profits on the river transport.

6th. That arrangement to continue in force for one year from this date, and no longer.

11. The Pacific Mail Steam Ship Company have promised to give a decided answer,

accepting or rejecting those proposals, on or before the 24th of the present month.

12. If that arrangement be carried into effect, it will be of great advantage to the country at large, and give the Government a decided control over the mining population of the interior.

13. I trust, from its so thoroughly protecting every interest connected with the country, that it will meet with your approval.

(Signed) I have, &c.

JAMES DOUGLAS,

Governor.

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

Enclosure in No. 1.

## Enclosure in No. 1.

## PROCLAMATION

By His Excellency James Douglas, Governor and Commander-in-Chief of the Colony of Vancouver's Island and Dependencies, and Vice-Admiral of the same, &c. &c.

Whereas it is commonly reported that certain boats and other vessels have entered Fraser's River for trade; and whereas there is reason to apprehend that other persons are preparing and fitting out boats and vessels for the same purpose:

Now, therefore, I have issued this my Proclamation, warning all persons that such acts are contrary to law, and infringements upon the rights of the Hudson's Bay Company, who are legally entitled to the trade with Indians in the British Possessions on the north-west coast of America, to the exclusion

of all other persons, whether British or Foreign.

And also, that after fourteen days from the date of this my Proclamation, all ships, boats, and vessels, together with the goods laden on board, found in Fraser's River, or in any of the bays, rivers, or creeks of the said British Possessions on the north-west coast of America, not having a licence from the Hudson's Bay Company, and a sufferance from the proper officer of the Customs at Victoria, shall be liable to forfeiture, and will be seized and condemned according to law.

Given under my hand and seal, at Government House, Victoria, this eighth day of May in the year of our Lord One thousand eight hundred and fifty-eight, and in the twenty-first year of Her Majesty's reign.

(Signed) James Douglas, Governor.

By His Excellency's Command, Richard Golledge, Secretary.

God save the Queen.