Despatches from Governor Douglas.

BRITISH COLUMBIA.

No. 1.

COPY of DESPATCH from Governor Douglas to the Right Hon. Lord Stanley, M.P.

No 1.

(No. 23.)

Victoria, Vancouver's Island, May 19, 1858.

(Received July 13, 1858.) (Answered, No. 4, July 16, 1858, p. 42.)

My Lord, (Answered, No. 4, July 16, 1858, p. 42.)

1. Since I had the honour of addressing you on the 8th instant, on the subject of the Couteau Gold Mines, it was currently reported that boats and other small craft from the American shore were continually entering Fraser's River with passengers and goods, especially spirits, arms, ammunition, and other prohibited and noxious articles, and as those acts are in direct violation of the Customs' Laws, as extended to the British Possessions in America, and infringe the rights of the Hudson's Bay Company, I took immediate steps to put a stop to those lawless practices, by issuing a Proclamation, of which a copy is transmitted, warning all persons against the consequences of such offences, and I have since applied to Captain Prevost, of Her Majesty's Ship "Satellite," for an effective force to carry out the measures proposed and set forth in my Proclamation.

2. That force it is intended to despatch to-morrow, under the direction of an officer

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of the Customs to be appointed specially for that purpose.

3. I also propose in a few days hence to make an excursion to the Falls of Fraser's River, for the purpose of inquiring into the state of the country, on which I will report to you on my return.

4. The American steamer "Commodore" returned to this port from San Francisco two days ago, with 400 passengers for the Gold Mines, who are preparing to leave in

boats and canoes for Fraser's River.

5. The excitement about the Couteau Gold Mines is on the increase, and people are

pushing from all quarters in that direction.

6. In our last accounts from that quarter, of the 8th instant, it is stated that 1,500 white miners, at the smallest computation, had reached the diggings, and that they were not finding much gold, in consequence of the rivers being swollen by the melting of the mountain snow. The river beds, which yield the largest quantities of gold, being all flooded, the miners were in search of other diggings, and had found gold in small quantities, probably from one to two dollars a man per day, in almost every part of the country which they have examined, and they expect a large yield when the rivers fall to a lower level.

7. Those accounts are sufficiently promising to nourish the prevalent mania for gold. On all sides the Americans are striving to force a passage into the Gold District through their own territories, attempts being at once made to open roads from Bellingham Bay,

from Nisqually, and by the way of the Columbia River.

8. I am now convinced that it is utterly impossible, through any means within our power, to close the Gold Districts against the entrance of foreigners, as long as gold is found in abundance, in which case the country will soon be overrun and occupied by a large white population, whether it be agreeable to our wishes or not; while, on the contrary, it is no less certain that the excitement on the subject will soon altogether cease, if the diggings prove unremunerative, and the crowds now gathering on the banks of Fraser's River will in that case soon abandon the country, and return to their homes.

The evil will thus work its own cure without interposition on our part.

9. In the meantime, with the view of escaping the greater evil of compelling people to have recourse to expedients for entering the country by unlawful means, I am striving to legalize the entrance of gold miners into Fraser's River, on certain conditions, which at