attempt to overpower the opposition of the natives by force of arms, and thus endanger the peace of the country.

6. I beg to submit, if in that case, it may not become a question whether the natives are not entitled to the protection of Her Majesty's Government, and if an officer invested with the requisite authority should not, without delay, be appointed for that purpose.

I have, &c.

The Right Hon. H. Labouchere, &c. &c. &c.

(Signed) JAMES DOUGLAS, Governor.

No. 6.

No. 6.

EXTRACT of a DESPATCH from Governor DOUGLAS to the Right Hon. HENRY LABOUCHERE, M.P., dated Victoria, Vancouver's Island, December 29, 1857. (Received March 2, 1858.)

(No. 35.)

SINCE I had the honour of addressing you on the 15th of July last, concerning the gold fields in the interior of the country north of the 49th parallel of latitude, which, for the sake of brevity, I will hereafter speak of as the "Couteau mines" (so named after the tribe of Indians who inhabit the country), I have received further intelligence from my correspondents in that quarter.

It appears from their reports that the auriferous character of the country is becoming daily more extensively developed, through the exertions of the native Indian tribes, who, having tasted the sweets of gold finding, are devoting much of their time and attention to that pursuit.

They are, however, at present almost destitute of tools for moving the soil, and of washing implements for separating the gold from the earthy matrix, and have therefore to pick it out with knives, or to use their fingers for that purpose; a circumstance which in some measure accounts for the small products of gold up to the present time, the export being only about 300 ounces since the 6th of last October.

The same circumstance will also serve to reconcile the opinion now generally entertained of the richness of the gold deposits by the few experienced miners who have seen the Couteau country, with the present paucity of production.

The reputed wealth of the Couteau mines is causing much excitement among the population of the United States territories of Washington and Oregon, and I have no doubt that a great number of people from those territories will be attracted thither with the return of the fine weather in spring.

In that case, difficulties between the natives and whites will be of frequent occurrence, and unless measures of prevention are taken, the country will soon become the scene of lawless misrule.

In my letter of the 15th of July, I took the liberty of suggesting the appointment of an officer invested with authority to protect the natives from violence, and generally, so far as possible, to maintain the peace of the country.

Presuming that you will approve of that suggestion, I have, as a preparatory step towards the proposed measures for the preservation of peace and order, this day issued a proclamation declaring the rights of the Crown in respect to gold found in its natural place of deposit, within the limits of Fraser's River and Thompson's River districts, within which are situated the Couteau mines; and forbidding all persons to dig or disturb the soil in search of gold, until authorized on that behalf by Her Majesty's Government.

Encl. Nos. 1, 2.

I herewith forward a copy of that proclamation, and also of the regulations since published, setting forth the terms on which licences will be issued to legalize the search for gold, on payment of a fee of ten shillings a month, payable in advance.

When mining becomes a remunerative employment, and there is a proof of the extent and productiveness of the gold deposits, I would propose that the licence fee be gradually increased, in such a manner, however, as not to be higher than the persons engaged in mining can readily pay.