

November last, discovered a rich vein of gold, averaging 6½ inches in width, bedded in quartz rock, running 80 feet parallel with the coast, and from thence apparently taking a direction towards the interior of the island; but it could not be traced beyond the point where it diverges from the line of coast, on account of the surface earth, which conceals it from view. The vein was worked for several days, by blasting, and rich specimens were procured, some of which yielded 25 per cent. of pure gold, and there was every prospect of making a profitable voyage, when the natives, attracted to the spot in great numbers, by the presence of the vessel, became so exceedingly troublesome to the parties on shore, by pilfering their tools, and by rushing tumultuously upon the mine from time to time as the explosions took place, to seize the gold which had been so hardly earned, that they could no longer carry on their operations without being in danger of their lives. The officer in command, influenced by the entreaties of the Indian chiefs, who, with much apparent good feeling, begged him to keep his men on board, and not permit them to land, as they found it impossible, amidst so many temptations, to restrain their people from committing those violent acts, his men at the same time having refused to work on shore, unless they were allowed to fire upon the Indians if they again attempted to maltreat or plunder them, left the coast, a decision made from the best of motives, but which has unfortunately left the field open to the American adventurers, who arrived there shortly after his departure; and, as the "Una" was wrecked at Cape Flattery, on her return to this place, and the Hudson's Bay Company had no other disposable vessel at hand to send there, the Americans still remain in possession of the gold region.

I have since learned, that the first American ship which arrived in Mitchell's Harbour remained only a few days, as the adventurers on board were intimidated by the hostile appearance of the natives, and would not venture on shore. Another smaller vessel was wrecked on the east coast of the island, and I have ascertained, through a letter from the master, received by Indian conveyance, that the whole party he had on board, consisting of 30 persons, had reached the shore in safety, and were living in a most wretched condition among the Indians.

A vessel was lately despatched to their relief by the United States' authorities at Nesqually, with what success I have not yet heard. I have not been able to ascertain how many other American vessels have gone there, but I will inform your Lordship as soon as I receive information regarding that matter.

While on the subject of Queen Charlotte's Island, I will further take the liberty of remarking to your Lordship that, apart from political considerations, and as a mere question affecting the prosperity of this colony, it would be highly important to exclude the vessels of foreign powers from that field of enterprise, leaving it open to national vessels alone; as in that case a flourishing trade would soon flow into this colony, which would then necessarily become a general place of refuge for the shipping employed on Queen Charlotte's Island, and find a market for all its farm and agricultural produce, in supplying the miners with food; on the other hand, if American vessels be admitted, they will draw their supplies, and carry the produce of the mines into their own ports in Oregon and California, to the manifest injury of Her Majesty's possessions in those quarters.

I have addressed a communication to Rear-Admiral Moresby,* informing him of the important discoveries made in Queen Charlotte's Island, and requesting him to take such measures as he may deem proper and advisable in the circumstances for the protection of British interests and national rights."

* Page 6.

— No. 8. —

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

Sir,

Hudson's Bay House, 26 March 1852.

THE Hudson's Bay Company, in the course of their trade with the natives of Queen Charlotte's Island, on the North West Coast of America—a trade to which they have an exclusive right, under a grant from the Crown, dated the 13th May 1838—having discovered that the natives were in possession of

No. 8.
Sir J. H. Pelly
to Sir J. S. Paking-
ton, Bart., M. P.
26 March 1852.