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3// COPIES OR EXTRACTS

OF

CORRESPONDENCE

RELATIVE TO

THE DISCOVERY OF GOLD

IN

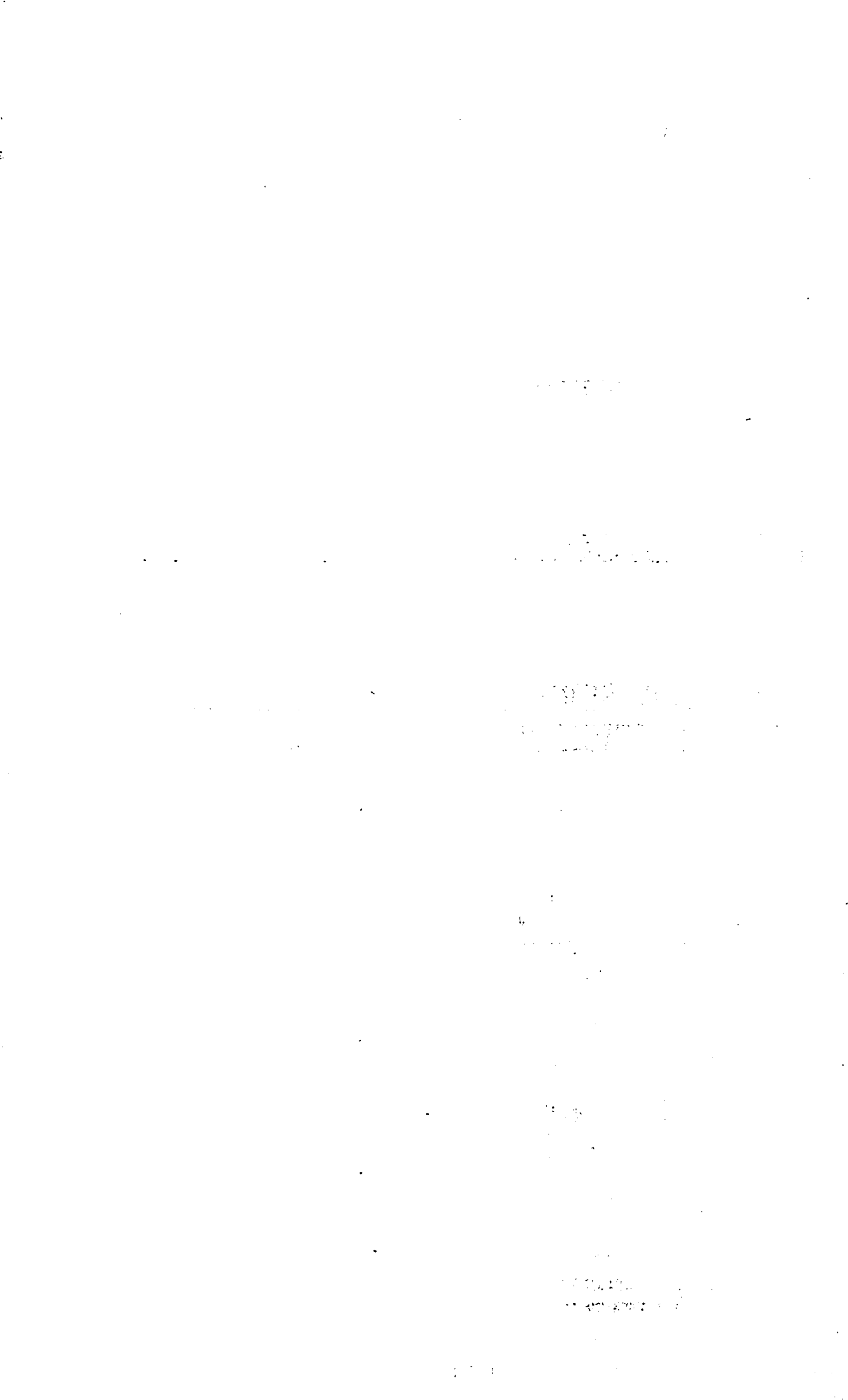
THE FRASER'S RIVER DISTRICT, IN
BRITISH NORTH AMERICA.

Presented to both Houses of Parliament by Command of Her Majesty.
July 2, 1858.



LONDON:
PRINTED BY GEORGE EDWARD EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY,
FOR HER MAJESTY'S STATIONERY OFFICE.

1858.



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CORRESPONDENCE

RELATIVE TO THE

DISCOVERY OF GOLD IN THE FRASER'S RIVER
DISTRICT, IN BRITISH NORTH AMERICA.

No. 1.

No. 1.

Copy of a DESPATCH from Governor DOUGLAS to the Right Hon. HENRY
LABOUCHERE, M.P.

(No. 10.)

Victoria, Vancouver's Island, April 16, 1856.

(Received June 30, 1856.)

(Answered, No. 14, August 4, 1856.)

SIR,

I HASTEN to communicate for the information of Her Majesty's Government a discovery of much importance, made known to me by Mr. Angus McDonald, Clerk in charge of Fort Colvile, one of the Hudson's Bay Company's Trading Posts on the Upper Columbia District.

That gentleman reports, in a letter dated on the 1st of March last, that gold has been found in considerable quantities within the British territory, on the Upper Columbia, and that he is moreover of opinion that valuable deposits of gold will be found in many other parts of that country; he also states that the *daily earnings* of persons then employed in digging gold were ranging from 2*l.* to 8*l.* for each man. Such is the substance of his report on that subject, and I have requested him to continue his communications in respect to any further discoveries made.

I do not know if Her Majesty's Government will consider it expedient to raise a revenue in that quarter, by taxing all persons engaged in gold digging, but I may remark, that it will be impossible to levy such a tax without the aid of a military force, and the expense in that case would probably exceed the income derived from the mines.

I will not fail to keep you well informed in respect to the extent and value of the gold discoveries made; and circumstances will probably be the best indication of the course which it may be expedient to take, that is, in respect to imposing a tax, or leaving the field free and open to any persons who may choose to dig for gold.

Several interesting experiments in gold washing have been lately made in this colony, with a degree of success that will no doubt lead to further attempts for the discovery of the precious metal. The quantity of gold found is sufficient to prove the existence of the metal, and the parties engaged in the enterprise entertain sanguine hopes of discovering rich and productive beds.

I have, &c.

(Signed)

JAMES DOUGLAS,

Governor.

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

No. 2.

No. 2.

Copy of a DESPATCH from the Right Hon. HENRY LABOUCHERE to
Governor DOUGLAS.

(No. 14.)

SIR,

Downing Street, August 4, 1856.

I HAVE to acknowledge the receipt of your Despatch, No. 10, of the 16th April last, reporting the discovery of gold within the British territory on the Upper Columbia River district.

A 3.

6 CORRESPONDENCE *relative to the DISCOVERY of GOLD in the*

In the absence of all effective machinery of Government, I conceive that it would be quite abortive to attempt to raise a revenue from licences to dig for gold in that region. Indeed, as Her Majesty's Government do not at present look for a revenue from this distant quarter of the British dominions, so neither are they prepared to incur any expense on account of it. I must, therefore, leave it to your discretion to determine the best means of preserving order in the event of any considerable increase of population flocking into this new gold district; and I shall rely on your furnishing me with full and regular accounts of any event of interest or importance which may occur in consequence of this discovery.

To Governor Douglas,
&c. &c.

I have, &c.
(Signed) H. LABOUCHERE.

No. 3.

No. 3.

COPY of a DESPATCH from GOVERNOR DOUGLAS to the Right Hon. HENRY LABOUCHERE, M.P.

(No. 28.)

Victoria, Vancouver's Island, October 29, 1856.

SIR,

(Received January 14, 1857.)
(Answered, No. 5, January 24, 1857.)

1. I HAVE the honour to acknowledge the receipt of your Despatch, No. 14, of the 4th of August, communicating the arrival of my Despatch, No. 10, of the 16th April last, in which was reported the discovery of gold within the British territory in the Upper Columbia River District.

2. I have, since the date of that letter, received several other communications from my correspondent in that part of the country, who, however, scarcely makes any allusion to the subject of the gold discovery; but I have heard through other almost equally reliable sources of information, that the number of persons engaged in gold digging is yet extremely limited, in consequence of the threatening attitude of the native tribes, who being hostile to the Americans, have uniformly opposed the entrance of American citizens into their country.

3. The people from American Oregon are therefore excluded from the gold district, except such, as resorting to the artifice of denying their country, succeed in passing for British subjects. The persons at present engaged in the search of gold are chiefly of British origin and retired servants of the Hudson's Bay Company, who, being well acquainted with the natives, and connected by old acquaintanceship and the ties of friendship, are more disposed to aid and assist each other in their common pursuits than to commit injuries against persons or property.

4. They appear to pursue their toilsome occupation in peace, and without molestation from the natives, and there is no reason to suppose that any criminal act has been lately committed in that part of the country.

* * * * *

5. It is reported that gold is found in considerable quantities, and that several persons have accumulated large sums by their labour and traffic, but I cannot vouch for the accuracy of those reports; though, on the other hand, there is no reason to discredit them, as about 220 ounces of gold dust has been brought to Vancouver's Island direct from the Upper Columbia, a proof that the country is at least auriferous.

From the successful result of experiments made in washing gold from the sands of the tributary streams of Fraser's River there is reason to suppose that the gold region is extensive, and I entertain sanguine hopes that future researches will develop stores of wealth, perhaps equal to the gold fields of California. The geological formations observed in the "Sierra Nevada" of California being similar in character to the structure of the corresponding range of mountains in this latitude, it is not unreasonable to suppose that the resemblance will be found to include auriferous deposits.

FRASER'S RIVER DISTRICT, *in* BRITISH NORTH AMERICA. 7

6. I shall not fail to furnish you with full and regular accounts of every event of interest connected with the gold district, which may from time to time occur.

I have, &c.

The Right Hon. H. Labouchere, (Signed) JAMES DOUGLAS,
&c. &c. &c. Governor.

No. 4.

No. 4.

COPY of a DESPATCH from the Right Hon. HENRY LABOUCHERE to
Governor DOUGLAS.

(No. 5.)

SIR, Downing Street, January 24, 1857.
I HAVE to acknowledge your Despatch (No. 28) of the 29th October 1856, relative to the discovery of gold in the Upper Columbia River district.

I have, &c.

Governor Douglas, (Signed) H. LABOUCHERE.
&c. &c.

No. 5.

No. 5.

COPY of a DESPATCH from Governor DOUGLAS to the Right Hon. HENRY
LABOUCHERE, M.P.

(No. 22.)

Victoria, Vancouver's Island, July 15, 1857.

SIR, (Received, September 18, 1857.)

1. I HAVE the honour of communicating for your information the substance of advices which I have lately received from the interior of the continent north of the 49th parallel of latitude, corroborating the former accounts from that quarter respecting the auriferous character of certain districts of the country on the right bank of the Columbia River, and of the extensive table land which divides it from Fraser's River.

2. There is, however, as yet a degree of uncertainty respecting the productiveness of those gold fields, for reports vary so much on that point, some parties representing the deposits as exceedingly rich, while others are of opinion that they will not repay the labour and outlay of working, that I feel it would be premature for me to give a decided opinion on the subject.

3. It is, however, certain that gold has been found in many places by washing the soil of the river beds and also of the mountain sides; but, on the other hand, the quantities hitherto collected are inconsiderable, and do not lend much support to the opinion entertained of the richness of those deposits; so that the question as to their ultimate value remains thus undetermined, and will probably not be decided until more extensive researches are made.

4. A new element of difficulty in exploring the gold country has been interposed through the opposition of the native Indian tribes of Thompson's River, who have lately taken the high-handed, though probably not unwise course, of expelling all the parties of gold diggers, composed chiefly of persons from the American territories, who had forced an entrance into their country. They have also openly expressed a determination to resist all attempts at working gold in any of the streams flowing into Thompson's River, both from a desire to monopolize the precious metal for their own benefit, and from a well-founded impression that the shoals of salmon which annually ascend those rivers and furnish the principal food of the inhabitants, will be driven off, and prevented from making their annual migrations from the sea.

5. The officers in command of the Hudson's Bay Company's posts in that quarter, have received orders carefully to respect the feelings of the natives in that matter, and not to employ any of the Company's servants in washing out gold, without their full approbation and consent. There is, therefore, nothing to apprehend on the part of the Hudson's Bay Company's servants, but there is much reason to fear that serious affrays may take place between the natives and the motley adventurers who will be attracted by the reputed wealth of the country, from the United States possessions in Oregon, and may probably

S CORRESPONDENCE *relative to the* DISCOVERY of GOLD *in the*

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.

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

FRASER'S RIVER DISTRICT, in BRITISH NORTH AMERICA. 9

My authority for issuing that proclamation, seeing that it refers to certain districts of continental America, which are not strictly speaking within the jurisdiction of this Government, may perhaps be called in question; but I trust that the motives which have influenced me on this occasion, and the fact of my being invested with the authority over the premises of the Hudson's Bay Company, and the only authority commissioned by Her Majesty within reach, will plead my excuse. Moreover, should Her Majesty's Government not deem it advisable to enforce the rights of the Crown, as set forth in the proclamation, it may be allowed to fall to the ground, and to become a mere dead letter.

If you think it expedient that I should visit the Couteau Mines in course of the coming spring or summer, for the purpose of enquiring into the state of the country, and authorize me to do so, if I can for a time conveniently leave this Colony, I freely place my services at the disposal of Her Majesty's Government.

Enclosure 1 in No. 6.

Encl. 1 in No. 6.

PROCLAMATION by his Excellency JAMES DOUGLAS, Governor of Vancouver's Island and its Dependencies, &c. &c.

WHEREAS by law all mines of gold, and all gold in its natural place of deposit, within the districts of Fraser's River and of Thompson's River, commonly known as the "Quââtlan," "Couteau," and "Shuswap" countries, whether on the lands of the Queen or of any of Her Majesty's subjects belong to the Crown.

And whereas information has been received by the Government that gold exists upon and in the soil of the said districts, and that certain persons have commenced, or are about to commence, searching and digging for the same for their own use, without leave or other authority from Her Majesty.

Now, I, James Douglas, the Governor aforesaid, on behalf of Her Majesty, do hereby publicly notify and declare that all persons who shall take from any lands within the said districts any gold, metal, or ore containing gold, or who shall dig for and disturb the soil in search of gold, metal, or ore without having been duly authorized in that behalf by Her Majesty's Colonial Government, will be prosecuted, both criminally and civilly, as the law allows.

And I further notify and declare that such regulations as may be found expedient will be prepared and published, setting forth the terms on which licences will be issued for this purpose on the payment of a reasonable fee.

Given under my hand and seal at Government Office, Victoria, this 28th day of December, in the year of our Lord one thousand eight hundred and fifty-seven, and in the twenty-first year of Her Majesty's reign.

(Signed) JAMES DOUGLAS, Governor.

By his Excellency's command.

(Signed) RICHARD GOLLEDGE, Secretary.

God save the Queen.

Enclosure 2 in No. 6.

Government House, Victoria, December 29, 1857.

WITH reference to the proclamation issued on the 28th of December, declaring the rights of the Crown in respect to gold found in its natural state of deposit within the districts of Fraser's River and of Thompson's River, commonly known as the Quââtlan, Couteau, and Shuswap countries, his Excellency the Governor, has been pleased to establish the following provisional regulations, under which licences may be obtained to dig, search for, and remove the same.

1st. From and after the first day of February next, no person will be permitted to dig, search for, or remove gold, on or from any lands, public or private, without first taking out and paying for a license in the form annexed.

2nd. For the present, and pending further proof of the extent and productiveness of the gold deposits, the licence fee has been fixed at 10s. per month to be paid in advance; but it is to be understood that the rate is subject to future adjustment as circumstances may render expedient.

3rd. The licences can be obtained at Victoria, Vancouver's Island, until a Commissioner is appointed by his Excellency the Governor to carry those regulations into effect, and who will be authorized to receive the fee payable thereon.

4th. Rules adjusting the extent and position of land, to be covered by each licence, and for the prevention of confusion, and the interference of one licence with another, will be regulated by the said Commissioner.

(Signed) JAMES DOUGLAS, Governor.

By his Excellency's command,

(Signed) RICHARD GOLLEDGE, Secretary.

10 CORRESPONDENCE *relative to the* DISCOVERY of GOLD *in the*

No. 7.

No. 7.

COPY of a DESPATCH from the GOVERNOR of VANCOUVER'S ISLAND to the
Right Hon. H. LABOUCHERE, M.P.

(No. 1.)

Victoria, Vancouver's Island, January 22, 1858.

(Received March 15, 1858.)

SIR,

1. WITH reference to the Proclamation and Regulations legalizing the search for gold in the districts of Fraser's River and Thompson's River, transmitted with my Despatch No. 35, of the 29th of December last, I have now the honour to communicate for your information, that we have since that date raised the licence fee from ten shillings to twenty-one shillings a month, payable in advance, which is the present charge for gold licences.

2. We were induced to make that change through a desire to place a larger amount of revenue at the disposal of Government to meet the expense of giving protection to life and property in those countries, and at the same time from a well-founded conviction that persons really bent upon visiting the gold district will as readily pay the increased as the lower rate of charge.

I have, &c.

(Signed) JAMES DOUGLAS,

To the Right Hon. Henry Labouchere,
&c. &c. &c.

Governor.

No. 8.

No. 8.

COPY of a DESPATCH from GOVERNOR DOUGLAS to the Right Hon.
H. LABOUCHERE, M.P.

(No. 15.)

Victoria, Vancouver's Island, April 6th, 1858.

SIR,

1. SINCE I had last the honour of addressing you in my Despatch No. 35, of the 29th of December last, in reference to the discovery of gold in the Couteau, or Thompson's River District, we have had much communication with persons who have since visited that part of the country.

2. The search for gold and "prospecting" of the country, had, up to the last dates from the interior, been carried on almost exclusively by the native Indian population, who have discovered the productive beds, and put out almost all the gold, about eight hundred ounces, which has been hitherto exported from the country, and who are moreover extremely jealous of the whites, and strongly opposed to their digging the soil for gold.

3. The few white men who passed the winter at the diggings, chiefly retired servants of the Hudson's Bay Company, though well acquainted with Indian character, were obstructed by the natives in all their attempts to search for gold. They were on all occasions narrowly watched, and in every instance when they did succeed in removing the surface and excavating to the depth of the auriferous stratum, they were quietly hustled and crowded by the natives, who, having by that means obtained possession of the spot, then proceeded to reap the fruits of their labours.

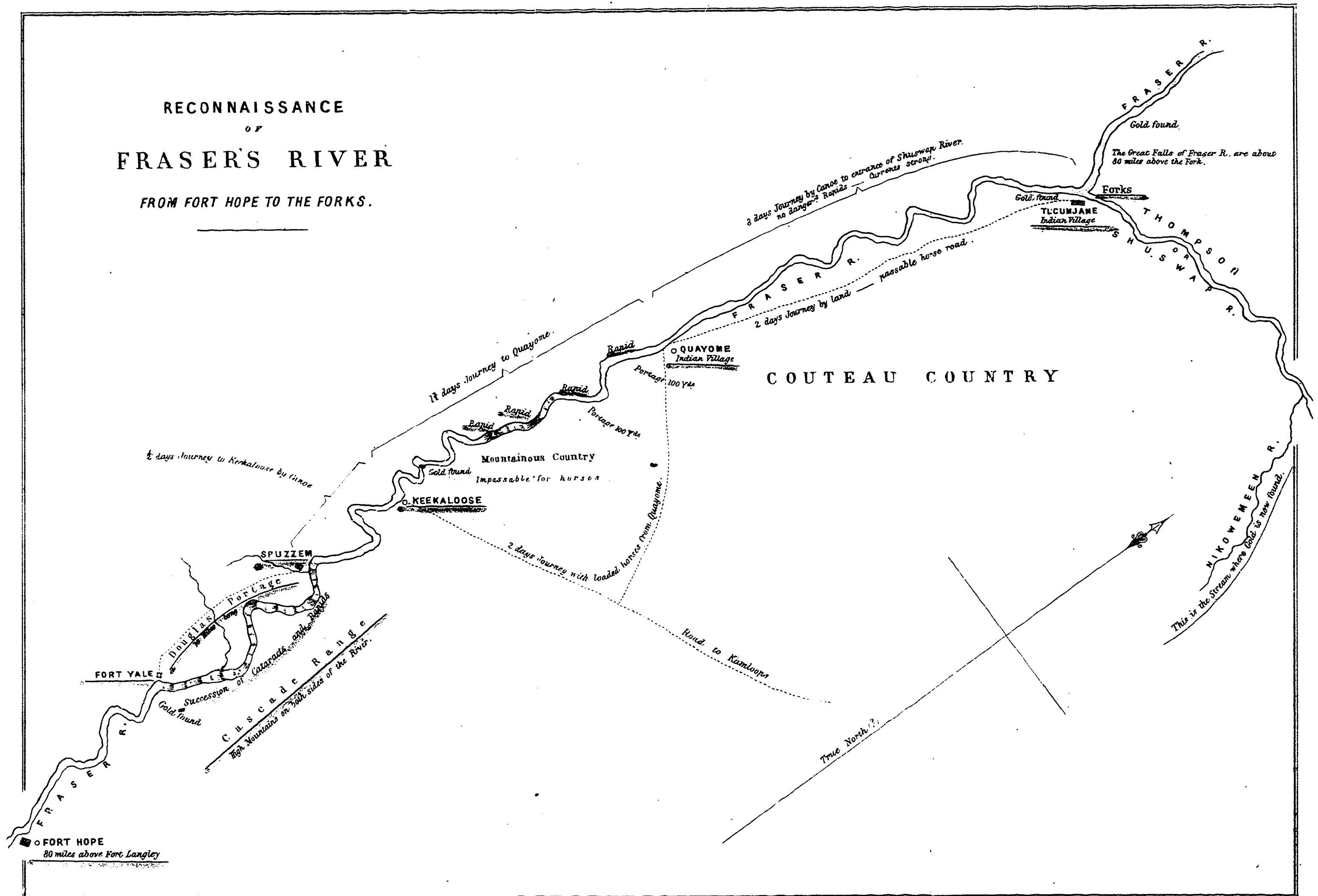
4. Such conduct was unwarrantable and exceedingly trying to the temper of spirited men, but the savages were far too numerous for resistance, and they had to submit to their dictation. It is, however, worthy of remark, and a circumstance highly honourable to the character of those savages, that they have on all occasions scrupulously respected the persons and property of their white visitors, at the same time that they have expressed a determination to reserve the gold for their own benefit.

5. Such being the purpose of the natives, affrays and collisions with the whites will surely follow the accession of numbers, which the latter are now receiving by the influx of adventurers from Vancouver's Island and the United States territories in Oregon; and there is no doubt in my mind that sooner or later the intervention of Her Majesty's Government will be required to restore and maintain the peace. Up to the present time, however, the country continues quiet, but simply, I believe, because the whites have not attempted to resist the impositions of the natives. I will, however, make it a part of my duty to keep you well informed in respect to the state of the gold country.



RECONNAISSANCE OF FRASER'S RIVER

FROM FORT HOPE TO THE FORKS.



6. The extent of the gold region is yet but imperfectly known, and I have, therefore, not arrived at any decided opinion as to its ultimate value as a gold-producing country. The boundaries of the gold district have been, however, greatly extended since my former report.

7. In addition to the diggings before known on Thompson's River and its tributary streams, a valuable deposit has been recently found by the natives on a bank of Fraser's River about five miles beyond its confluence with the Thompson, and gold in small quantities has been found in the possession of the natives as far as the Great Falls of Fraser's River, about eighty miles above the Forks. The small quantity of gold hitherto produced,—about eight hundred ounces,—by the large native population of the country is, however, unaccountable in a rich gold-producing country, unless we assume that the want of skill, industry, and proper mining tools, on the part of the natives sufficiently account for the fact.

8. On the contrary, the vein rocks and its other geological features, as described by an experienced gold miner, encourage the belief that the country is highly auriferous.

9. The miner in question clearly described the older slate formations thrown up and pierced by beds of quartz, granite, porphyry, and other igneous rocks; the vast accumulations of sand, gravel, and shingle extending from the roots of the mountains to the banks of Fraser's River and its affluents, which are peculiar characteristics of the gold districts of California and other countries. We therefore hope and are preparing for a rich harvest of trade, which will greatly rebound to the advantage of this Colony.

10. I have further to communicate for your information that the Proclamation issued by me, asserting the rights of the Crown to all gold in its natural place of deposit, and forbidding all persons to dig for gold without a licence, have been published in the newspapers of Oregon and Washington territories, and that notwithstanding some seventy or eighty adventurers from the American side have gone by the way of Fraser's river to the Couteau mines without taking out licences.

11. I did not, as I might have done, attempt to enforce those rights by means of a detachment of seamen and marines, from the "Satellite," without being assured that such a proceeding would meet with the approval of Her Majesty's Government; but the moment your instructions on the subject are received, I will take measures to carry them into effect.

I have, &c.
(Signed) JAMES DOUGLAS,
Governor.

The Right Hon. Henry Labouchere, M.P.
&c. &c. &c.

[*An explanatory sketch of Fraser's River is forwarded with this report.*]

No. 9.

No. 9.

COPY of a LETTER from the GOVERNOR of the HUDSON'S BAY COMPANY to the Right Hon. Sir E. BULWER LYTTON, M.P.

SIR,

Hudson Bay House, June 3, 1858.

I HAVE the honour to enclose for your information extracts of two letters received by the last mail from Governor Douglas, dated respectively, Victoria, Vancouver's Island, 22nd and 25th March, giving the latest information from the gold fields recently discovered on the North-west Coast of America.

I have, &c.

Sir Edward Bulwer Lytton, Bart., (Signed) JOHN SHEPHERD,
&c. &c., &c. Governor.

12 CORRESPONDENCE *relative to the DISCOVERY of GOLD in the*

Encl. 1 in No. 9.

Enclosure 1 in No. 9.

EXTRACT of LETTER from JAMES DOUGLAS, Esq., to W. G. Smith, Esq., dated Victoria, Vancouver's Island, March 22, 1858.

"The winter has been remarkably dry and mild, and the farmers generally report their stock to be in fair condition for the season. Seed time has commenced in earnest, and with the most favourable weather for that important operation of husbandry. There is, however, a great scarcity of labourers, as nearly the whole floating population of the colony have moved off towards the Thompson's River gold mines.

"There will be much suffering in that quarter for want of food, as the country is without resources, and the transport from the sea coast is difficult and expensive.

"I trust Her Majesty's Government will take measures for the prevention of crimes, and the protection of life and property in that quarter, or there will, ere long, be a large array of difficulties to settle.

"A great number of Americans have also gone towards Thompson's River, and others are preparing to follow.

"I have written to Her Majesty's Government on that subject, and shall not fail to communicate with you as soon as I receive their reply."

Encl. 2 in No. 9.

Enclosure 2 in No. 9.

EXTRACT of LETTER from JAMES DOUGLAS, Esq., to W. G. SMITH, Esq., dated Victoria, Vancouver's Island, March 25, 1858.

"I returned from Fort Langley on the 16th instant, having despatched a party to build Fort Dallas, and another party with a further supply of trade goods for Thompson's River.

"Mr. Simpson's transport party had experienced some difficulty above the Falls, and lost two canoes which were dashed to pieces on the rocks, but the property was saved and no lives were lost. We have received no more definite tidings from the gold country than we before possessed.

"An experienced miner whom I met at Fort Langley, assured me that the country was much richer in gold than the Colville District. The principal diggings are on the banks of Fraser's River, about 5 miles above the Forks, and the natives beyond that point are said to have found gold. The country is in fact but imperfectly known, and it is hardly possible to give any decided opinion at present in regard to the ultimate yield of gold. The bed rock, and other geological features of the country as described by the miner in question, would, however, lead one to believe that the district will be found productive of gold. He perfectly described the older slate formations thrown up and pierced by quartz, granite, and porphyry beds, and the vast accumulations of gravel and shingle extending from the roots of the mountains to the banks of Fraser's River, and its affluents; which are all characteristics of the gold districts of California and other countries."

No. 10.

No. 10.

EXTRACT of a DESPATCH from Governor DOUGLAS to the Right Hon. HENRY LABOUCHERE, dated Victoria, Vancouver's Island, May 8, 1858.

(No. 19.)

SINCE I had the honour of addressing you on the 6th of April last on the subject of the "Couteau" gold mines, they have become more than ever a source of attraction to the people of Washington and Oregon territories, and it is evident from the accounts published in the latest San Francisco papers, that intense excitement prevails among the inhabitants of that stirring city on the same subject.

The "Couteau" country is there represented and supposed to be in point of mineral wealth a second California or Australia, and those impressions are sustained by the false and exaggerated statements of steamboat owners and other interested parties, who benefit by the current of emigration which is now setting strongly towards this quarter.

Boats, canoes, and every species of small craft, are continually employed in pouring their cargoes of human beings into Fraser's River, and it is supposed that not less than one thousand whites are already at work and on the way to the gold districts.

Many accidents have happened in the dangerous rapids of that river; a great number of canoes having been dashed to pieces and their cargoes swept away by the impetuous stream, while of the ill-fated adventurers who accompanied them many have been swept into eternity.

The others, nothing daunted by the spectacle of ruin, and buoyed up by the hope of amassing wealth, still keep pressing onwards towards the coveted goal of their most ardent wishes.

On the 25th of last month the American steamer "Commodore" arrived in this port direct from San Francisco, with 450 passengers on board, the chief part of whom are gold miners for the "Couteau" country.

Nearly 400 of those men were landed at this place, and have since left in boats and canoes for Fraser's River.

I ascertained through inquiries on the subject that those men are all well provided with mining tools, and that there was no dearth of capital or intelligence among them. About 60 British subjects, with an equal number of native born Americans, the rest being chiefly Germans, with a smaller proportion of Frenchmen and Italians, composed this body of adventurers.

They are represented as being, with some exceptions, a specimen of the worst of the population of San Francisco; the very dregs, in fact, of society. Their conduct while here would have led me to form a very different conclusion; as our little town, though crowded to excess with this sudden influx of people, and though there was a temporary scarcity of food, and dearth of house accommodation, the police few in number, and many temptations to excess in the way of drink, yet quiet and order prevailed, and there was not a single committal for rioting, drunkenness, or other offences, during their stay here.

The merchants and other business classes of Victoria are rejoicing in the advent of so large a body of people in the Colony, and are strongly in favour of making this port a stopping point between San Francisco and the gold mines, converting the latter, as it were, into a feeder and dependency of this Colony.

Victoria would thus become a depôt and centre of trade for the gold districts, and the natural consequence would be an immediate increase in the wealth and population of the Colony.

To effect that object it will be requisite to facilitate by every possible means the transport of passengers and goods to the furthest navigable point on Fraser's River; and the obvious means of accomplishing that end is to employ light steamers in plying between, and connecting this port (Victoria) with the Falls of Fraser's River, distant 130 miles from the discharge of that river, into the Gulf of Georgia; those falls being generally believed to be at the commencement of the remunerative gold diggings, and from thence the miners, would readily make their way on foot or after the summer freshets by the river into the interior of the country.

By that means also the whole trade of the gold regions would pass through Fraser's River and be retained within the British territory, forming a valuable outlet for British manufactured goods, and at once creating a lucrative trade between the mother country and Vancouver's Island.

Taking a view of the subject, simply in its relations to trade and commerce, apart from considerations of national policy, such perhaps would be the course most likely to promote the interests of this Colony; but, on the contrary, if the country be thrown open to indiscriminate immigration the interests of the Empire may suffer from the introduction of a foreign population, whose sympathies may be decidedly anti-British.

Taking that view of the question it assumes an alarming aspect, and suggests a doubt as to the policy of permitting the free entrance of foreigners into the British territory for residence without in the first place requiring them to take the oath of allegiance, and otherwise to give such security for their conduct as the Government of the country may deem it proper and necessary to require at their hands.

The opinion which I have formed on the subject leads me to think that, in the event of the diggings proving remunerative, it will now be found impossible to check the course of immigration, even by closing Fraser's River, as the miners would then force a passage into the gold district by way of the Columbia River, and the valuable trade of the country in that case be driven from its natural course into a foreign channel and entirely lost to this country.

On the contrary, should the diggings prove to be unremunerative, a question which as yet remains undecided, the existing excitement we may suppose will die away of itself, and the miners having no longer the prospect of large gains will naturally abandon a country which no longer holds out any inducement for them to remain.

Until the value of the country, as a gold producing region, be established on clearer evidence than can now be adduced in its favor,—and the point will no doubt be decided before the close of the present year,—I would simply recommend that a small naval or military force should be placed at the disposal of this Government, to enable us to maintain the peace, and to enforce obedience to the laws.

The system of granting licences for digging gold has not yet come into operation.

Perhaps a simpler method of raising a revenue would be to impose a Custom's duty on imports, to be levied on all supplies brought into the country whether by Fraser's or the Columbia River.

The export of gold from the country is still inconsiderable, not exceeding 600 ounces since I last addressed you. The principal diggings are reported to be at present, and will probably continue, flooded for several months to come, so that unless other diggings apart from the river beds are discovered, the production of gold will not increase until the summer freshets are over, which will probably happen about the middle of August next. In the meantime the ill-provided adventurers who have gone thither will consume their stock of provisions, and probably have to retire from the country until a more favourable season.

I shall be most happy to receive your instructions on the subjects in this letter.

No. 11.

No. 11.

COPY of a LETTER from the Governor of the HUDSON'S BAY COMPANY to
Secretary SIR E. BULWER LYTTON.

SIR.

Hudson's Bay House, June 24, 1858.

I HAVE the honour to acknowledge the receipt of the Earl of Carnarvon's letter of the 22nd instant, stating your desire to be furnished with extracts of the letters lately received by the Hudson's Bay Company from Governor Douglas, on the subject of the gold fields on Fraser's River, and I beg in accordance therewith to transmit the accompanying copy of a letter from Governor Douglas, dated Victoria, April 27th, and extracts of his letters of the 19th and 30th of the same month.

I have, &c.

Sir Edward Bulwer Lytton, Bart.,
Colonial Office.

(Signed) JOHN SHEPHERD,
Governor.

Encl. 1 in No. 11.

Enclosure 1 in No. 11.

Victoria, Vancouver's Island,
April 27, 1858.

(Extract.)

I HAVE to communicate for the information of the Governor and Committee that the steam vessel "Commodore" arrived in this port on the 25th instant, direct from San Francisco, with 450 passengers, chiefly gold miners, who have come here with the intention of working the gold mines of the interior.

About 400 of those men were landed on the same day, and, with the exception of a few who left yesterday for Fraser's River, are now engaged in purchasing canoes and making arrangements for continuing their journey by Fraser's River into the Couteau country.

They all appear to be well provided with mining tools, and there seems to be no want of capital and intelligence among them. About 60 of the number are British subjects, with about an equal number of Americans, and the rest are Germans, Frenchmen, and Italians.

Though our little town was crowded to excess with this sudden influx of people, and there was a temporary scarcity of food and dearth of house accommodation, the police

FRASER'S RIVER DISTRICT, *in* BRITISH NORTH AMERICA. 15

force small, and many temptations to excess in the way of drink, yet they were remarkably quiet and orderly, and there has not been a single committal for rioting or drunkenness since their arrival here.

The merchants and general dealers of Victoria are rejoicing in the increase of wealth and business produced by the arrival of so large a body of people in the colony, and are strongly in favour of making this place a stopping point between San Francisco and the gold mines, which, so far as respects the prosperity of the colony, is evidently an object of the utmost importance, as both in going and returning, the miners would make purchases, and spend a great deal of money; the value of property would be vastly enhanced, while the sale of public land and the colonization of the country would be greatly promoted.

The interests of the empire, if I may use the term, may not, however, be improved to the same extent by the accession of a foreign population, whose sympathies are decidedly anti-British.

From that point of view the question assumes an alarming aspect, and leads us to doubt the policy of permitting foreigners to enter the British territory, *ad libitum*, without taking the oath of allegiance, and otherwise giving security to the government of the country.

In the meantime, the people who have gone into the interior will meet with innumerable difficulties of route in their progress towards the mines, both from the nature of the country and the dangerous state of the rivers.

The principal diggings on Fraser's and Thompson's Rivers are also at present, and will continue, flooded for many months to come; there is moreover a great scarcity of food in the gold districts, so that those united causes will, in all probability, compel many of the ill-provided adventurers to beat a retreat and for the time to relinquish the enterprise.

The licence system has not been yet carried into effect, and it will be difficult to bring it into a general operation. It has since occurred to me that by levying an import duty on goods, the gold districts might be taxed to any desirable extent, without clamour or exciting discontent among the people, an object which might be effected at a moderate expense, by means of a customs station on Fraser's River, and another at the point where the road from the Columbia strikes the ford of the O'Kanagan River, those being the only two commercial avenues of the Couteau country.

I shall soon address Her Majesty's government on the subjects referred to in this communication, and it is also my intention to represent how seriously the peace of the country may be endangered by the presence of so many people wandering over the interior in a vagrant state, especially in the event of the diggings proving unremunerative, and the miners being, as an inevitable consequence, reduced to poverty, and destitute of the common necessaries of life.

We have this moment been informed of the arrival of the Pacific Mail Steamer "Columbia," at Port Townsend, with 80 passengers from San Francisco, who are also bound for the Couteau gold district, and we observe by the latest San Francisco papers that several other vessels are advertised for the same destination.

Enclosure 2 in No. 11.

Encl. 2 in No. 11.

Extract of a Letter from James Douglas, Esq., to William G. Smith, Esq., Secretary of the Hudson's Bay Company, dated Victoria, Vancouver's Island, April 19, 1858.

"Mr. George Simpson was the bearer of despatches from Fort Langley of the 14th, and from Chief Trader M'Lean, dated Forks (Thompson's River), the 4th instant, and arrived here by canoe on the 17th instant.

"The tidings from the gold districts are of the most flattering description, but are not supported by a large return of gold dust. Mr. Simpson reports that gold is found in more or less abundance on every part of Fraser's River, from Fort Yale to the Forks, but I presume those diggings cannot be very productive, or there would have been a larger return of gold. Chief Trader Yale reports that parties are proceeding up Fraser's River towards the gold diggings almost every day."

Enclosure 3 in No. 11.

Encl. 3 in No. 11.

Extract of a Letter from James Douglas, Esq., to W. G. Smith, Esq., Secretary of the Hudson's Bay Company, dated Victoria, Vancouver's Island, April 30, 1858.

"We have received no official intelligence from the gold mining districts since my letter of the 19th instant.

"Several parties of Americans and Canadians have, however, lately returned from thence disappointed and unsuccessful. They report that the waters of Fraser's River had

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risen so much, that the auriferous 'Bars' were flooded, and they could not consequently employ themselves to advantage. They, however, think that the country is decidedly auriferous, and will yield large returns of gold.

"About 150 white miners had already arrived at the Forks of Thompson's River, when they left that place, and they met about as many more on the river travelling towards that point."

No. 12.

No. 12.

COPY of a LETTER from the SECRETARY of the ADMIRALTY to HERMAN MERIVALE, Esq.

SIR,

Admiralty, June 26, 1858.

I AM commanded by my Lords Commissioners of the Admiralty to send you herewith, for the information of Secretary Sir E. Bulwer Lytton, a copy of a letter from Captain Prevost, of H.M. Ship "Satellite," dated at Vancouver's Island, 7th May 1858, respecting the discovery of gold on Fraser's and Thompson's Rivers, near to the 51st parallel of north latitude, in North America.

The newspaper and specimen of the gold dust referred to in Captain Prevost's letter are also enclosed.

Herman Merivale, Esq.,
Colonial Office.

I am, &c.
(Signed) H. CORRY.

Encl. in No. 12.

Enclosure in No. 12.

(Extract.)

H. M. S. "Satellite," Esquimalt,
Vancouver's Island, May 7, 1858.

I HAVE the honour to report to you that considerable excitement has been occasioned recently in this neighbourhood by the discovery of gold on Fraser's and Thompson's Rivers, at about the position of the juncture of the latter with the former river, near to 51st parallel of north latitude.

The reports concerning these new gold diggings are so contradictory that I am unable to furnish you with any information upon which I can depend. That gold exists is certain, and that it will be found in abundance seems to be the opinion of all those who are capable of forming a judgment upon the subject; but it is so obviously to the advantage of the surrounding community to circulate exaggerated, if not altogether false reports, for the purpose of stimulating trade, or creating monopolies, that it is most difficult to arrive at any correct conclusion, or to obtain any reliable information. I have every reason to believe that the Indians have traded some quantity of gold with the officers of the Hudson's Bay Company, and I am satisfied that individuals from this immediate neighbourhood who started off to the diggings upon the first intelligence of their existence, have come back with gold dust in their possession, and which they assert was washed by themselves; but whether such be really the case, or whether it was traded from the Indians I am unable to determine. These persons all declare that at the present moment, although the yield is good, yet that there is too much water in the rivers to admit of digging and washing to be carried on with facility; but that when the water falls somewhat, as the summer advances, that the yield will be abundant. I am inclined myself to think that this information is not far from the truth, for these persons, after obtaining a fresh stock of provisions, have all returned to the diggings.

The excitement in Vancouver's Island itself is quite insignificant compared to that in Washington and Oregon territories, and in California, and which, of course, is increased by every possible means by interested parties. The result has been that several hundred persons from American territory have already flocked to the newly reported auriferous regions, and by the last accounts fresh steamers, and even sailing vessels, were being chartered to convey passengers to Puget Sound, or to Vancouver's Island, whence they have to find their way to the diggings principally by canoes.

I have heard that all the crews of the ships in Puget Sound have deserted, and have gone to the diggings; I am happy to say that as yet I have not lost a single man from the "Satellite" since the information was received, and I have every reason to hope that I may not be unfortunate in this respect, although, doubtless, soon the temptations to desert will be of no ordinary character.

COPY of a DESPATCH from Secretary Sir E. BULWER LYTTON to
Governor DOUGLAS.

(No. 2.)

SIR,

Downing Street, July 1, 1858.

I HAVE to acknowledge your Despatch No. 19, of the 8th ultimo, in continuation of former Despatches, informing the Secretary of State from time to time of the progress of the gold discoveries on Fraser's River, and the measures which you had taken in consequence. I am anxious not to let the opportunity of the present mail pass without informing you that Her Majesty's Government have under their consideration the pressing necessity for taking some steps to establish public order and government in that locality, and that I hope very soon to be able to communicate to you the result.

In the meantime Her Majesty's Government approve of the course which you have adopted in asserting both the dominion of the Crown over this region, and the right of the Crown over the precious metals. They think, however, that you acted judiciously in waiting for further instructions before you endeavoured to compel the taking out of licenses, by causing any force to be despatched for that purpose from Vancouver's Island.

They wish you to continue your vigilance, and to apply for instructions on any point on which you may require them. They are, however, in addition, particularly anxious to impress on you that, while Her Majesty's Government are determined on preserving the rights, both of government and of commerce, which belong to this country, and while they have it in contemplation to furnish you with such a force as they may be able to detach for your assistance and support in the preservation of law and order, it is no part of their policy to exclude Americans and other foreigners from the gold fields. On the contrary, you are distinctly instructed to oppose no obstacle whatever to their resort thither for the purpose of digging in those fields, so long as they submit themselves, in common with the subjects of Her Majesty, to the recognition of Her authority, and conform to such rules of police as you may have thought proper to establish. The national right to navigate Fraser's River is of course a separate question, and one which Her Majesty's Government must reserve.

Under the circumstance of so large an immigration of Americans into English territory, I need hardly impress upon you the importance of caution and delicacy in dealing with those manifold cases of international relationship and feeling which are certain to arise, and which but for the exercise of temper and discretion might easily lead to serious complications between two neighbouring and powerful states.

It is impossible by this mail to furnish you with any instructions of a more definite character. Her Majesty's Government must leave much to your discretion on this most important subject; and they rely upon your exercising whatever influence and powers you may possess in the manner which from local knowledge and experience you conceive to be best calculated to give development to the new country, and to advance imperial interests.

I have, &c.

Governor Douglas,
&c. &c.

(Signed) E. BULWER LYTTON.

APPENDIX.

EXTRACT of a LETTER from JAMES DOUGLAS, Esq., to W. G. SMITH, Esq., Secretary of the Hudson's Bay Company, dated Victoria, Vancouver's Island, February 18, 1858.

"They say that the country is as rich as any part of California, though we have as yet no satisfactory evidence of that fact, there being circumstances indeed which rather favour the opposite conclusion. It is, for instance, well known that the export of gold dust from the state of California exceeded 150,000 ounces during the eight months following the discovery of gold in that country, and that the stream of wealth had in that time forced its way into all the neighbouring countries. We had a good share of it at Fort Vancouver, where we purchased at the Company's shops about 8,000 ounces in the course of a few months, and that formed but a small part of the wealth that had been actually brought into the country.

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“ Now the ascertained export from Thompson’s River up to the present time does not much exceed 500 ounces, and admitting, for the sake of comparison, that an equal quantity still remains in the hands of the diggers and at our own establishment in Thompson’s River, that would only give a total yield since the discovery of about 1,000 ounces, which, after making due allowance for the disproportion in the number and skill of the mining population in the two countries, is relatively a small return compared with that of the first eight months of the gold miners in California.

“ The conclusion is obvious, but still Thompson’s River may turn out to be a very valuable gold district.”

