



**The Assay Office and the
Proposed Mint at New Westminster**
A chapter in the history of the Fraser River Mines



By R. L. Reid, K.C.
Curated by Chris Willmore



Portable apothecary scales such as this one were used to informally weigh gold dust during the British Columbia Gold rushes of the late 19th century.
Photo by and from the Collection of Chris Willmore.

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Transcribed, annotated and curated by Chris Willmore

Victoria, B.C., August, 2022

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Cover art by Chris Willmore

The trouble with gold¹

Midas, sitting down to dinner, sees the answer to his wish,
For the turbot on the platter turns into a golden fish!
And the bread between his fingers is no longer wheaten bread,
But the slice he tries to swallow is a wedge of gold instead!
And the roast he takes for mutton fills his mouth with golden meat,
Very tempting to the vision, but extremely hard to eat;
And the liquor in his goblet, very rare, select and old,
Down the monarch's thirsty throttle runs a stream of liquid gold!
Quite disgusted with his dining, he betakes him to his bed;
But, alas! the golden pillow doesn't rest his weary head;
Nor does all the gold around him soothe the monarch's tender skin;
Golden sheets, to sleepy mortals, might as well be sheets of tin!

Curator's Preface

August, 2022

British Columbia started as a gold colony, at a time when many countries were on a gold standard for currency. Despite this “New *El Dorado*” being rich in gold, it was poor in cash, and money had to be imported from London and San Francisco. “Water, water, everywhere,” as Coleridge wrote, “yet not a drop to drink.” The story of this predicament is closely tied to the development of an Assay Office at New Westminster, near modern Vancouver, and the half-implemented plans for a Colonial Mint at the same location.

In 1926, Robert L. Reid told the tale in a compelling account that made excellent use of newspapers and other archival material. The present edition includes many of these sources as appendices, along with a few additional items to provide context for the modern reader.

In curating these works, it is my hope to bring delight and wonder at the joys of history to a new generation of readers – and perhaps to nurture economic insight along the way.

Chris Willmore

Victoria, B.C.

¹ From Saxe, John G. (1860, August 18). A TRAVESTIE. *Gloucestershire Chronicle*, p. 3. By John Godfrey Saxe (1816 – 1887).

The Assay Office and the Proposed Mint at New Westminster²

INTRODUCTORY

The story of the beginning of civilized society in British Columbia is not the ordinary one of settlement in a new country. Usually, civilization is begun by a few pioneers, who, led by the desire to see “beyond the ranges,” or moved by the pressure of overpopulation in an older land, seek a new and untried locality in which to make a home. Others follow from time to time as the country becomes known, and the organization of society gradually takes form and substance with the increase of population. Unless some great prize – some hope of immediate and enormous gain – is held out, the process is slow and gradual. But if, as in British Columbia and other El Dorados of the nineteenth century, there is made known to the world a glittering prospect of sudden wealth, and men flock from all quarters of the globe, not intent on making a home, but bent solely on gathering riches without limit, so that with such riches they may return in a short time to their old homelands, a different condition of affairs arises.

Here in British Columbia there was no government when the first Argonauts came seeking the golden fleece; none of those institutions which, almost unseen but always present in civilized societies, give peace and safety to the residents; none of those conveniences which men have evolved to make the transactions of life move without friction. Before the discovery of gold everything here was peaceful with the peace of barbarism. Time went on from day to day as it had for untold ages. The savage lived and hunted, fished and fought, as his forefathers had done. Suddenly, lured by the rumor of gold, white men came in thousands from other lands and swarmed up the Fraser River seeking for sudden riches. Nothing had been prepared for them. There was no government, no conveniences of civilized life; nothing but the wild land, the Indian, and, at a few isolated points, posts of the Hudson’s Bay Company established for the purposes of trade with the [Indians]. Naturally much time was necessary to organize this virgin land, to provide for the government and direction of this crowd of gold-seekers, more difficult to rule and guide than agricultural settlers; and do supply the country with the usual facilities of common life. What could be done was done. The ruler of the adjoining colony, James Douglas, stepped in without authority and took control, leaving his actions to be ratified by the British Government. As speedily as possible he and his assistants did what they could to meet the need and to establish that organization of society to which the new arrivals had been accustomed in the lands from which they came. But during the period of time which necessarily elapsed before this could be made to function properly, many difficulties were encountered which caused inconvenience and annoyance to the inhabitants of the Colony.

In this book an attempt is made to describe one of the difficulties which arose during this period of the Colony’s existence, owing to the lack of a circulating medium,

² Reid, R. L. (1926). *The Assay Office and the Proposed Mint at New Westminster*. Victoria, B.C.: Charles F. Banfield. Written by Robie Lewis Reid (1866 – 1945).

such as was in existence in civilized lands; a currency absolutely above suspicion, bearing the guarantee of the government and issued in such denominations as to be available for all business transactions, whether large or small. In doing so, as far as possible, the actors in the drama will be left to tell their own story in their own words. Besides the economic and numismatic interest, there will necessarily appear something of the antagonism which existed between the autocratic Governor of both Vancouver Island and the Mainland Province, and the strong and peppery Colonial Treasurer of the latter; and something of the rivalry between the respective capitals of the two nascent provinces, a rivalry which ended years afterward in the dominance of a third city then unborn.

In the nineteenth century four El Dorados were discovered, three of them within a decade. Their discovery brought before the eyes of an astonished world the riches to be obtained in regions which till that time had been considered “back of the beyond”; lands till then only known to some adventurous explorers. Until the discovery of gold these had been little more than blank spaces on the map of the world, when suddenly the eyes of all men were turned upon them as lands in which wealth could be had for the taking. From every country gold-seekers poured, seeking the magic metal which means power, place, and luxury. All sorts and conditions of men, intoxicated by the lure of gold, came seeking what seemed to them the solace for all human ills. Some found it and returned to their own lands rich and powerful; some returned as poor as, or poorer, than they came; some failed to return, it may be, unable to obtain sufficient means to pay the expense of the return journey, or, it may be, so pleased with the new lands to which they had gone that they had no desire to go back; some found as the end of their pilgrimage only an unmarked grave.

The first of these El Dorados was, of course, located in what is now the great State of California. In 1848 word went forth to the four corners of the globe that gold was there for the taking, and immediately from all parts of the world – east, west, north and south – adventurers flocked to that hitherto unknown and unconsidered land. Those were “The days of old, the days of gold, the days of ’49.” But the treasures of California were comparatively accessible. San Francisco Bay and the Sacramento River gave easy access by water to a point but a little distance from the golden sands. The reports were not exaggerated, and great quantities of the precious metal were taken from their hiding-places for the use or abuse of man. But it was soon found that gold in its natural state was not a convenient means of exchange. Men had long been habituated to using it in the form of coins with the precise weight and value stamped thereon. Only in this form could it be made economically available for the transaction of business affairs, and consequently there was an immediate demand for coined money. The demand immediately caused the supply to be available. As early as 1849 and until the establishment of a branch of the United States Mint in San Francisco in 1854 many private firms cut dies and minted the produce of the mines into current coins. In all, fifteen private mints were established in California, the first coins struck being the \$5 pieces issued by Norris, Greig & Norris in San Francisco in 1849.³

³ Adams, U.S. Private & Terr. Gold Coins, p. 44.

In this way a great deal of the produce of the mines was transformed into coins which circulated in California until the establishment by the United States Government of the Branch Mint at San Francisco rendered such private issues no longer necessary or convenient. The coinage of their gold by officials of the Government under governmental regulation was a guarantee to the miners that they would receive its full value in the regular coinage of the country, and made it more readily available as a medium of exchange than any private coinage could possibly be.

The excitement occasioned by the discovery of gold in California had hardly reached its height, the adventurers already there were still busily engaged in reaping their golden harvest, and more were on their way thither, when in 1851 the discovery of the second El Dorado in far-off Australia became known to the world. The experiences of California were repeated in the rush to the Australian mines. Here again, though the land itself lay far from the civilization of that day, on the other side of the world, in sooth, access was comparatively easy by sea, followed by a short overland journey to the locality in which the gold was found. The same difficulties were experienced by the first comers by reason of a lack of currency necessary for the convenient carrying out of business transactions, but this was soon remedied by the establishment of a branch of the Royal Mint in Sydney in 1855.

As if these discoveries were not enough to satisfy the desires of mankind for gold in the short space of one decade, there came within a few years word of another great gold discovery. In 1857 a whisper passed along the Pacific Coast that somewhere on the Fraser River, in a *terra incognita* marked vaguely on the then maps of the world as New Georgia and New Caledonia, and lying somewhere north of the northern boundary of the United States; in a land so far beyond the confines of civilization that it did not have a government, or even a pretense of a government, there had been discovered gold deposits of fabulous richness. There was no reason to disbelieve the story. A similar story had been found to be true in respect to California. Equally true had been found the reports of gold fields in Australia. Why should it not be true of any other country, especially if it were far enough away and hitherto entirely unknown? So to the north rushed the gold seekers bent on securing riches, and the third "Great Devil Dance of the Decade," as it has been called, was on in earnest during the summer of 1858.

The fourth rush for El Dorado was the Klondike excitement of 1896 and 1897. Comparatively few years have passed since then, and so many of the present citizens of British Columbia took part in it that the essential features of such a stampede are familiar to us. In this case access to the diggings was much more difficult than had been the case in California and Australia. It was a long, difficult and toilsome journey from the sea to the scene of the discovery. The steep slopes of the Dyea or the Chilkoot Pass had to be climbed, and after the mountain barrier had been left behind many weary miles had to be traveled on foot and by boat on the Yukon River before the Klondike was reached and access had to the tributaries on which were the new discoveries. Yet times had changed on the Pacific Coast since the days of 1858. Cities had sprung up as far north as Seattle, Wash., Victoria and Vancouver, B.C., and these

served as supply-points. Government officials and private explorers had mapped out the country. Boats on the Yukon River and its tributaries soon made transportation of passengers and supplies easy and comparatively cheap. The North West Mounted Police enforced law and order. The chartered banks of Canada followed close after the miners to buy the gold and supply currency for commercial transactions. So that in a very short space of time the usual media of commerce were functioning in the Klondike in the same way as in the older and more developed parts of Canada.

The episode to be recounted here forms a part of the history of the third search for El Dorado on the Fraser River, or “Fraser’s River,” as it was then called and as it is still spoken of by some of the survivors of those adventurous days. It received its name from Simon Fraser of the North West Company, who, traveling from the east in the year 1808, was the first white man to follow its perilous course from Fort George to the sea, and whose bust now looks down from the hillside at New Westminster upon the great river which bears his name and perpetuates the memory of his achievement. Access to the treasures of the Fraser was, under the conditions of the time, by far the most difficult and hazardous of any of the four. The nearest point of supply was San Francisco, nearly a thousand miles away from the mouth of the river. True, there was a British Colony of Vancouver Island, containing a settlement of a kind at its capital, Victoria, near its southern extremity. Here were the headquarters of the Hudson’s Bay Company on the Pacific Coast, with its customary complement of employees, busy in the fur trade with the Indians and with little else. Other than the officials and servants of the Great Company, there was but a meager handful of settlers. Indeed, the Chief Factor of the Hudson’s Bay Company, James Douglas, was himself also the Governor of the colony, but he did not govern alone. By direct command from the authorities in England he had established a phantom Legislature consisting of seven members, nearly all of whom were in some way connected with the Company, either directly or indirectly.

The only available revenue was that derived from the tax on licensed houses, and this in 1853 was £220; in 1854, £400; and in 1855, £340.⁴ Practically all business and all real control was vested in the Hudson’s Bay Company. The mainland of what is now the province of British Columbia had no government at all. In it there were no settlers whatever. There were a few Hudson’s Bay Company forts, scattered at immense distances from each other throughout the land, carrying on the fur trade with the Indians, and the employees of the Company at these forts were its only white inhabitants. Otherwise, it was, as it had always been, a savage wilderness. The Company had no desire either to give information to the world in respect to it or in any way to open it up to colonization or commerce. Its great desire was to preserve it in its natural condition as a field for the exercise of the fur trade and for commerce with the Indian tribes. Even on Vancouver Island, where it was under obligations to the Imperial Government to promote colonization, it carried out its agreement in such a way as to render the results of its efforts practically nugatory; while, as to the mainland, little, if any, information was available, even to the student, and there

⁴ Archives of B.C., Vol. III., p. 25.

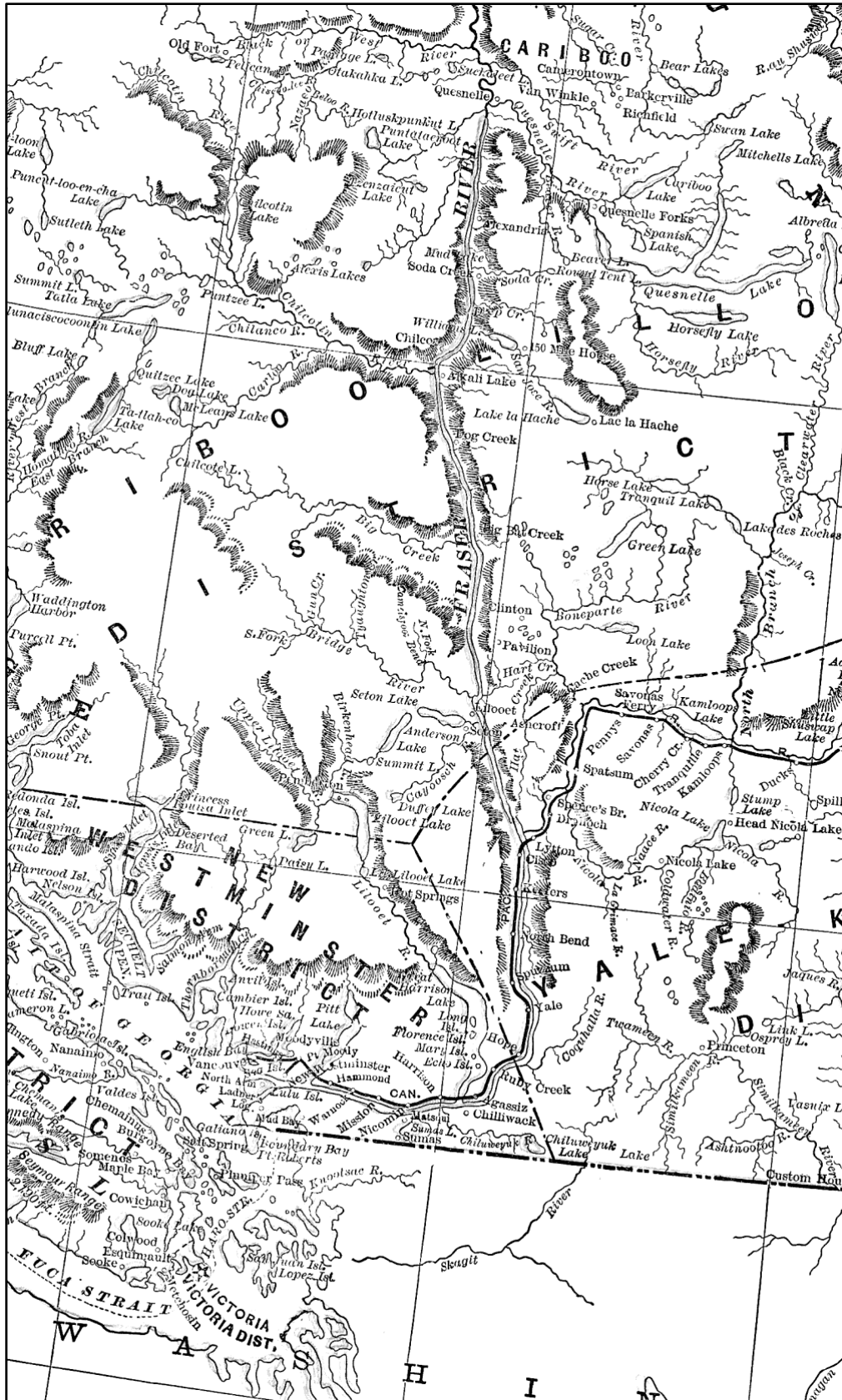
were no means of traveling therein or of obtaining supplies except with the permission and consent of the Great Company.

In order to get an idea of the scene of our story, let us glance for a moment at the map of British Columbia, and in using this term let us apply it solely to what is now the mainland or continental part of that province, remembering always that during the period in question herein the mainland was a distinct colony, entirely separate from its sister colony, that of Vancouver Island, the two colonies not becoming one until 1866. Parallel to British Columbia's western shore lies this great island, some 300 miles in length, practically a range of rugged, wooded mountains. Near its southern extremity was the seat of government and headquarters on the Pacific Coast of the Great Company, originally called Camosun or Camosack, afterwards Fort Albert, in 1852, renamed Victoria, the gateway to the whole of the vast territory of British Columbia. Leaving this point and passing north-easterly through the island-studded inland sea of the Gulf of Georgia, we reach British Columbia. Parallel to the coast lies a tremendous range of mountains, with but one practical entrance through the southern part, where the great Fraser River seeks the sea. Following up this river for nearly 100 miles through the low-lying lands of the Fraser Valley, where the river is navigable, we reach Fort Hope, or a few miles farther, Fort Yale, the head of navigation on the lower part of the river. This latter point, while not being the place where gold was first found, was the locality at which it was first mined to any extent. For about the same distance above Yale the river follows the well-known Fraser Canyon, a tremendous gorge through the eternal hills, turbulent, swift and turbid, and absolutely unnavigable. Another 200 miles takes us to Quesnelle, where the gold-seekers left the Fraser and turned eastward into the Cariboo Mountains. Sixty-two miles eastward from Quesnelle up the slopes of these mountains we reach Barkerville, the center and metropolis of the Cariboo mines.

At the time of the Cariboo stampede there were no roads in British Columbia; no means of access to the interior except by the rivers and lakes and the Indian trails over the mountains. There were no sources of supply, except the Hudson's Bay posts; no currency; no form of government; none of those institutions of civilized life which are evolved in any community for the purpose of enabling the relations between its members to be carried on conveniently and economically. With the invasion of the gold-seekers in 1857 and 1858, an anomalous condition came into existence. So sudden was it, and so long did it take to communicate with the only power which could authorize a legal form of government, the Imperial Government in London, that nothing could be accomplished *de jure* until the fall of the latter year.

The nearest British authority was Governor Douglas, of Vancouver Island, and he, seeing the necessity of some governmental supervision being exercised over the heterogeneous collection of adventurers pouring into the country and of some power enforcing law and order, stepped into the breach and took control *de facto* until directions should come from London. His actions were ratified by the Home authorities, who, in August, 1858, passed an Act providing for the institution of a legal government in British Columbia, and in September of that year appointed him Governor of the new colony, as well as of the older one, and gave him in respect of

VICTORIA, NEW WESTMINSTER AND THE CARIBOO (c. 1888)⁵



such a new colony, not only the powers of a governor as ordinarily understood, but also full legislative authority to pass such statutes and ordinances as he should see fit, subject to the power of disallowance by the Home Government, and this without the assistance of any legislature or council of any kind. Still he resided at Victoria and governed the mainland colony from that point, much to the disgust of the residents of the latter, who saw, or thought they saw, in every one of his actions something which favored Victoria's interests as against those of New Westminster, their capital and chief city.

The British Empire has always been fortunate in finding men able and willing to do its work under any circumstances, however unforeseen. The emergency has always found the man to meet it. Kipling speaks of "The Luck of the British Army." He might have extended his phrase to include the Empire as a whole, and never was its good fortune better exemplified than in this particular instance. In no emergency did the Empire have a more fitting man to meet the exigencies of the time than Governor Douglas on the North Pacific shores in the years 1857 to 1862. Like some other great men, the place of his birth is uncertain, some placing it in Jamaica, some in British Guiana, and some in Scotland. However this may be, he was educated in the latter country and at the age of 17 came to Northwestern America as an employee of the North West Company, the competitor and rival of the Hudson's Bay Company. The two companies were amalgamated in 1821, and Douglas, by virtue of his outstanding ability and strength of character, soon rose to a commanding position in the councils of the united companies. He had led an adventurous life for many years in New Caledonia (now the northern interior of British Columbia). He had been the trusted assistant of, and second in command under, Dr. John McLoughlin at Fort Vancouver on the Columbia River (now Vancouver in the State of Washington), and had succeeded him there. Foreseeing the trend of events and the overwhelming probability that that part of the Pacific territory would sooner or later become part of the United States, he prepared for such a contingency by establishing the headquarters of his Company at Victoria, as being more likely than any other available site to remain a portion of the British Dominions.

Douglas was a man born to command. Tall, over 6 feet in height, and powerfully built, he had always been a dominating figure whatever his surroundings. Used, from an early age, to exercise absolute power over his savage and half-savage underlings; accustomed to owe his personal security and success in the matters confided to him by the Company to his own strength and dominance, far from any possibility of outside support; his training, coupled with his personal qualifications and natural ability, fitted him to be a ruler of men. He took authority as his lawful right and exercised it unflinchingly; in general, wisely, but always firmly – if maybe, sometimes harshly. As Governor he never forgot that he was the servant of the British Empire, and that it was his duty to preserve even the most outlying part of that far-flung Empire for his Crown and country.

In later years, as Governor of Vancouver's Island and of British Columbia, he was an autocrat. Punctilious to a fault and impatient of any opinions but his own, he

⁵ From a map of British Columbia by George F. Cram (1842 – 1928). Curator's collection.

was a strong man, to whom unlimited power was given in a time of storm and stress, when the qualities of an autocrat were necessary to keep in check a turbulent mob of adventurers from all quarters of the world, thrown on a new land empty of all but the aborigines. Under the peculiar conditions he was the right man in the right place. He kept the peace under circumstances that tried men's souls, and to him, in great part, we owe the fact that the province of British Columbia remained, and still remains, an integral part of the British Empire. He was characterized by Governor Burnett, of Oregon, as "a very superior intelligence, and a finished, Christian gentleman," and he fully deserves the respect and admiration that those who have succeeded him have delighted to pay to one of the greatest of British colonial administrators.

The rush to the Fraser River started early in 1858. Douglas's dispatch to the Home authorities at London of May 19 of that year sets out in detail the condition of things as they appeared to him, watching them from the gateway of the Strait of Georgia. In it he states that "fifteen hundred white settlers, at the smallest computation, had reached the diggings,"⁶ which were at Fort Hope and farther along the Fraser, and that although the rivers were in flood, owing to the melting mountain snow, some gold had been found. Some of the invaders coming in from the United States were attempting to open roads from Bellingham Bay and from Nisqually and from the Columbia River, but he was striving to legalize the entrance of gold-miners to the Fraser River only on certain conditions, "which would at once assert the rights of the Crown, protect the interests 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 (Vancouver's Island), which would procure its supplies directly from the Mother-country."⁷

On the 10th day of June, 1858, he writes again. He says:-

"The actual gold-diggings commence on the Upper Fraser River about 1 mile below the point on which Fort Hope is situated, and from that point upwards . . . a distance of 20 miles."

He gives considerable detail as to the work that is going on, not forgetting his connection with the Hudson's Bay Company and his desire to protect the interests of that organization, a desire not fully concurred in by the Home authorities. On August 14, 1858, the Right Honorable Sir E. B. Lytton, the Colonial Secretary, transmitted a copy of the Act to provide for the Government of British Columbia (as Queen Victoria had named it), under which Douglas was appointed Administrator of the Colony, with power to make "laws, institutions, and ordinances as may be necessary for the peace, order, and good government of our subjects and others residing therein." It was under this authority that English law, both civil and criminal, was, on the 19th Nov., 1858, proclaimed in force in the province so far as it was not, from local circumstances, inapplicable, until changed by the British Government, the Governor, or such other legislative authority as might thereafter be legally constituted in the colony.

The newcomers thought inexhaustible treasures were in sight. They came from every direction and by every means possible; some by land and some by water. While

⁶ Papers relative to Affairs of British Columbia, Part I., p. 11.

⁷ B.C. Papers, Part I., p. 13.

the river was high many remained in Victoria; others penetrated the interior. The gold found on the bars of the Lower Fraser was fine and was known as “float-gold”; the gold being larger in size and coarser the farther up the river it was found. Except for some Indian trails, “utterly impassable,” says Judge Begbie, “for any animal but a man, a goat, or a dog,”⁸ there was only one trail from Yale over what was known as Mason’s Mountain, made by the Hudson’s Bay Company, known as the “mule-trail,” and this was passable only for a few months of the year. The miners agreed with the government to open a new road on certain terms, and this was the beginning of the Lillooet Road, which, with Harrison River and Lake and Anderson and Seton Lakes, was to open a new route to the Fraser River and so avoid the necessity of passing through the Great Canyon, but before this was finished there was a reaction. The cry was raised that the story of gold on the Fraser was not true, and many of the miners left the country faster than they had come. They spoke of the “arctic climate,”⁹ and by the time that the winter of 1858 set in all had gone but about 1,000, who remained and wintered in and about Victoria.

In 1859 about 3,000 returned, but no great discoveries were made, although many succeeded in getting farther up the river. In 1860 a new mining district was found about Quesnelle, and in 1861 the great discovery of the rich deposits in Cariboo was made. Victoria and the lower river were at once deserted, and there was great rejoicing among the mining population of British Columbia. On October 7, 1861,¹⁰ the correspondent of the *Alta California* at Victoria writes:-

“Victoria is looking up. The dull season has passed. Miners are arriving with their bags of gold determined upon a holiday . . . gold is more plentiful in British Columbia than pebbles.”

On October 27, 1861, the British *Colonist*, of Victoria, published an extra stating that \$250,000 in gold had been brought down by the S.S. “Otter” from New Westminster. On November 3 the S.S. “Pacific” carried gold to San Francisco amounting to \$50,000. The value of the gold recovered in that year has been estimated to be in the neighborhood of \$5,000,000. For several years afterwards the gold production of British Columbia was immense and the golden stream has never entirely dried up, for the Cariboo mines still pay their yearly tribute. Even as late as 1922 new discoveries were made, and no doubt many a year will pass before the treasures of the Cariboo mines will be entirely exhausted.

From the earliest times the inconvenience of changing goods for goods, or barter, has been overcome by the use of stamped metals or tokens, which have been issued to facilitate the operations of commerce. This has been found to be a necessity in civilized societies. In countries far removed from the centers of civilization, or which are for other reasons deprived of a circulating medium certified by the

⁸ B.C. Papers, Part III., p. 18. The full quote is “The trail between Fort Yale and Quayome, by which we advanced, was at that time I should think utterly impassable for any animal but a man[,] a goat, or a dog.”

⁹ *Alta California*, Oct. 11, 1861.

¹⁰ But published in the issue of October 18, 1861.

Government and made legal tender, great difficulties have always been experienced in carrying on business.

Many have been the devices used in various places to supply a circulating medium of some kind. In the West India Islands the want of small coins was supplied by cutting the currency of various South American States and Mexico into fragments, which were stamped with such a value as was provided by the Statutes of the country. In some places these were given a value greater than they intrinsically had in order to prevent their export. From this device originated the term "bits," which still lingers in the vernacular of the Pacific Coast, a "bit" properly representing one-eighth of a Spanish dollar, one real, or 12½ cents. In early days in Oregon, George Abernathy, a storekeeper at Oregon City, to provide small change, gathered up fragments of stone left by the manufacture of Indian arrowheads, shaped them and glued thereon pieces of paper on which were written the date, his initials, and the amount represented, and these "rocks" passed as currency for some time.¹¹

Owing to its distance from commercial centers, the lack of a circulating medium occasioned great inconvenience in British Columbia from the beginning. References to the lack of coined money, and the difficulty of carrying on ordinary commercial transactions with the gold in its natural state as taken from the ground, are to be constantly met in the literature of those days. The use of gold-dust as a medium of exchange was of course the necessary expedient, but it was an expedient both uneconomical and subject to abuse. It was inexact because the fineness of the gold was not definitely fixed; specific sums were difficult to ascertain with any degree of accuracy, and the opportunities open to the unscrupulous to take advantage of the miners were endless.

The trading community demanded that some speedy action should be taken to remedy the trouble, and this on two grounds: First, that commercial transactions were being hampered by the lack of currency; and secondly, that a large amount of business was being lost to British Columbia by reason of the miners finding it necessary to go to San Francisco in order to have their gold transmuted into coin. A similar difficulty had been experienced in the Western Territories of the United States, in which gold had been discovered, during the period between the discovery of gold and the establishment of branches of the United States Mint at San Francisco and Denver, and this difficulty has been met by private coinage as mentioned hereinafter. It was felt more in British Columbia than elsewhere owing to the want of financial organization and to the distance from any financial centers from which to obtain the means wherewith to supply its business requirements.

As early as April 25, 1859, Capt. Wm. Gosset, the Treasurer of the Colony of British Columbia, made a report to the Governor on that matter, suggesting that the Home Government be requested to send out (not in the way of a loan, but to be repaid in bullion) sovereigns to the amount of £60,000, half-sovereigns to the amount of £20,500, florins to the amount of £11,000, shillings to the amount of £5,000, pesos to the amount of £2,500, and half-pence to the amount of £1,000, making in all a total of £100,000, which, in his opinion, would relieve matters for the time being. This

¹¹ Gilbert's Trade in Early Oregon, p. 57.

report was approved by the Governor and forwarded by him to Sir Edward Bulwer Lytton, under date of May 25, 1859, in which the Governor says:-

“The only point to which I would desire to draw your attention is the allusion made by Captain Gosset to the inconvenient experienced from the want of British Coin in this country. This is a serious evil, and if Her Majesty’s Government would entertain the suggestion of sending out a supply of Coin, it would confer a real benefit on the Colony.”¹²

In April, 1861, the S.S. “Tartar” from Great Britain brought florins amounting in value to £4,000, shillings amounting to £2,000, sixpences amounting to £800, and three-penny pieces amounting to £100; total, £6,900.¹³ This relief was hailed with great satisfaction by the community in general and by business-men in particular, as silver coins, especially in the smaller denominations, had been almost unobtainable either in the City of New Westminster, the capital of the province, or in the interior.

Another attempt was made to relieve the situation by an issue of Government notes. On a visit by the Governor early in 1861 he advised the Treasurer that he proposed raising £5,000 in this way before July 1st of that year.¹⁴ Gosset did not approve of the plan, owing to the necessity of keeping a reserve of coin on hand to meet presentations, and the necessity of having the plates engraved and the printing done in England. The Governor, however, had made up his mind to do this and therefore Gosset forwarded a “specimen note.”¹⁵ Whether this issue was made cannot be determined, but from a letter¹⁶ written by the Treasurer in August, 1861, referring to “some paper, which would seem, as its money value is now acknowledged, to be a species of currency issued by the Commissioner of Lands and Works,” something of the kind must have been done, as the £5,000 was needed to pay the contractors on the Cariboo Road, a matter which would come under the jurisdiction of that officer.

Late in 1861 the Governor made up his mind to issue more notes, but this time in dollars.¹⁷ Gosset was notified that there were to be issued 2,400 notes of \$25; 1,000 of \$10; and 1,000 in \$5, making \$7,500 in all, of which \$20,000 were to be ready by June. He was told that “the denomination of the Notes *must* be in *Dollars*, as that is the notation of account of the community at large,” and the notes were to be paid to the contractors as advances as their work progressed, who were to pay them to their workmen and receive them back for provisions at 1 per cent. premium, “it being their object to keep the Notes in the Upper Country (i.e., east of the Cascade Mountains) until the end of the season, and thus to avoid the payment of the interest with which they would be chargeable in the event of the Government borrowing money to make these advances.”

¹² B.C. Papers, Part III., p. 13.

¹³ *Columbian*, April 11, 1861.

¹⁴ Letter, Gosset to Col. Sec., April 9, 1861.

¹⁵ Letter, Col. Sec. to Gosset, April 20, 1861.

¹⁶ Letter, Gosset to Col. Sec., Aug. 21, 1861.

¹⁷ Letter, Col. Sec. to Gosset, undated.

The notes were to be printed on a peculiar paper manufactured in Edinburgh and watermarked 1860, and were to bear an impressed stamp, signed by the Treasurer and Cashier, and be counter-signed by the Colonial Secretary.

The notes were duly issued as directed by the Governor and the first instalment forwarded to Gosset in January, 1862.¹⁸ As none of these notes are known to exist, they were evidently all redeemed in due course by the Government.

Gosset, however, was not satisfied with the action taken. In April he took up the matter again. He complained of not having been consulted about the issue; that it was a dangerous experiment to be made by a petty Government; that the Treasury was practically insolvent; and that the notes would probably be at a discount. He protested against the use of "American currency" as being unconstitutional and "a yielding up of Her Majesty's currency of the realm without due reason or authority."¹⁹

He also feared that the notes would be counterfeited owing to the late improvements in the "lithographic art," by means of which imitations could be made so perfect as to defy detection. The Governor paid no heed to his remonstrances, noting on the margin of Gosset's letter:-

"The proposed Treasury orders are not intended to remain in circulation as a permanent currency, but to meet an emergency caused by executing of indispensable public works which by their reproductive effect on the revenue will repay the outlay before the year is at an end. The Government is pledged to make certain advances to the contractors of these works which they have agreed to receive in Treasury orders at their full value – and I simply wish the Treasurer to point out how the details are to be managed with the least risk and inconvenience."

This was communicated to the Treasurer, who returned to the charge and discussed the matter at great length.²⁰ He could not approve the Governor's action and gave his reasons at length. No reply to this letter has been found. Probably the Governor, who had his own way, thought it unnecessary.

The importation of coin above mentioned in 1861 was not sufficient to satisfy the demands of the merchants. The lack of a circulating currency continued to be severely felt. On November 7 the New Westminster paper in an editorial said:

"Owing to the scarcity of coin in the Treasury here and in the banking-houses in Victoria, miners are compelled to go to San Francisco for the purpose of having their gold dust turned into coin. . . . If the coin question is so seriously felt now, to what alarming dimensions will it attain next year, with a mining population at least five-fold what it is now, and a corresponding increase in the yield of our mines?"²¹

Another attempt to relieve the situation was the offering of a premium on the importation of sovereigns from California, but this did not meet the public need.

¹⁸ Letter, Col. Sec. to Gosset, Jan. 18, 1862.

¹⁹ Letter, Gosset to Col. Sec., April 12, 1862.

²⁰ Letter, Gosset to Col. Sec., May 16, 1862.

²¹ *Columbian*, Nov. 7, 1861.

THE ASSAY OFFICE



The Assay Office and the Mint Building.

The first attempt made by the authorities to remedy the trouble which was being experienced by the business-men of the Colony owing to the lack of currency, was the establishment of a Government Assay Office. A private Assay Office had been established as early as August, 1859, by Marchand & Co., formerly of San Francisco.²²

It was thought that if the weight, fineness, and value of gold ingots could be authentically established, persons dealing therewith, whether as vendor or purchaser, could be certain that they were getting or giving a fair price, and so the gold could be easily and accurately made available for the purchase of commerce. It was also hoped that by this device the exodus of miners to San Francisco would be stopped, and the gold and its owners would remain in British Columbia, and thereby its population and wealth permanently increased.

There was another reason which inclined the authorities to consider the establishment of an Assay Office. The revenue of the colony was small, and the expenses large. An export duty on gold was being considered as a proper mode of taxation. As long as the miners came into the province and went out with their gold in their own hands, there was no means of accurately knowing what the output was;

²² *Colonist*, Aug. 29, 1859 (short news item) and Aug 7, 1861 (advertisement).

but if the gold could be made to go through an Assay Office operated by the Government itself, such a tax could be easily imposed and collected.²³ This tax was actually imposed in 1865, but it was so unpopular that it was abolished in the following year.

The advisability of establishing an Assay Office was first brought to the attention of the Imperial authorities in a despatch from Governor Douglas to Lord Lytton under date of April 8, 1859, as follows:-

“The want of an assay office in the colony is felt as a public inconvenience and is no doubt highly detrimental to the commercial interests of the country. There being at present no means here of ascertaining the true commercial value of gold dust, the merchant, to save himself from loss, will only purchase it at a low rate, which the miner will not accept, or the gold dust is retained in the merchant’s hands in deposit, until samples of it are sent and tested at San Francisco. Hundreds of miners worn out with the expense and delay so occasioned, fly in disgust with their gold, to San Francisco.

“An assay office established here, the evil would cease to operate, and the gold would remain in the country.

“The establishment of an assay office would otherwise, I believe, prove of signal advantage to the public revenue, inasmuch as it would give facilities for levying an export duty on gold. That is now impossible, and will be, so long as the miner cannot get a fair price for his gold in this country, and in consequence keeps it in his own hands. If collected at all, in those circumstances the duty would have to be wrung from each individual miner, and they, to elude the payment, would cross the frontier and fly with their treasures into the United States.

“The assay office would provide a remedy for the evil. Every man might through its aid learn from an official source the true value of any gold in his possession, and either spend or exchange it for coin in the country. This would slow the export of gold into the hands of large dealers who, having no inducement to smuggle equal to the risk, would export through the lawful channel, paying the duty, which they in turn would take care to levy on the miner, by deducting it from the price paid.

“An export duty might then be imposed with advantage, and be found easy and cheap of collection.”

In a further letter²⁴ under date of April 11, 1859, he states that he has attempted to induce the owners (not Americans) of *private* assay offices at San Francisco to establish branches of their houses at Victoria, but without success, and states that the reasons given by them for refusing to do so are:-

“That Her Majesty’s Government would, at no distant date, probably establish a mint at Victoria, and their business would therefore then cease.

“That being foreigners they could not expect the same privileges as are granted to English Houses taking up the assaying business.”

But in his opinion the real reason was:-

²³ Claudet’s note-book.

²⁴ B.C. Papers, [Part] III., p. 4.

“That they had already the whole assaying business of British Columbia in their hands, as nearly all the gold produce of the colony is now carried to San Francisco, and they had therefore nothing to gain by extending their business to Victoria, or to compensate for the certain outlay of capital which the process would involve.”

The result of establishing the Assay Office, he thinks, would be that the bars having the government stamp would be currency, and that:-

“The expense would be small, involving little more than the erection of a house; a fire brick furnace; a few crucibles which could, no doubt, be made here; a good assayer and a few assistants. The process is simple to a degree, and the whole expense of the plant of an assay office would not exceed £600. Its operation, judging from the experience of the San Francisco private assayers, who have all become wealthy, would leave a profit. I therefore believe that a well-managed Government Assay Office would, at least, pay its own expenses.

“Its advantages to the colony would be incalculable. Keeping the gold circulating in the country; the status it would give the place; the confidence it would inspire abroad; the benefits to the miners, the contentment it would diffuse amongst them, by the certainty and fairness and celerity of its operations, and its security, are amongst the advantages of such an establishment.”²⁵

Alas for prophecy! It *never* repaid its expenses. In 1866 alone the deficiency in operating was \$2,941.49. In no year was the income equal to the expenditure, nor were the results as satisfactory as the Governor anticipated. Notwithstanding this, on the whole, it was a benefit to the Colony and assisted materially in promoting its commercial prosperity.

In a letter to the Colonial Secretary written a few days later, Captain Gosset gave his ideas as to the possibility of establishing a mint, which will be referred to later.²⁶ In the meantime he agreed with the Governor that a smelting and assay office should be established at once. He referred to his investigations in California on his way to British Columbia, and pointed out the following facts:-

(1.) That the establishment of an assay office in San Francisco had greatly tended to retain population in the state.

(2.) That the public had more confidence in a government institution than in private practitioners.

(3.) That nine-tenths of the gold of California was smelted and assayed at the Government Mint at San Francisco, the balance going to New York.

(4.) That nearly, if not quite, the whole of the British Columbia gold went to the Government Mint in San Francisco.

(5.) That the miners of British Columbia, being unable to obtain proper value for their gold in that province, have returned in large numbers to San Francisco, solely to have it assayed there, and have spent the proceeds there, rarely returning until their earnings were exhausted. In this way not only was the gold lost to British Columbia, but also the time and industry of the miners during their absence.

²⁵ B.C. Papers, Part III., p. 5.

²⁶ Gosset to Col. Sec., April 25, 1859.

To these facts he ascribed the lack of population in British Columbia, and recommended immediate action. He asked for authority to prepare suitable buildings, stating the number of employees required and the salaries which it would be necessary to pay. He expressed the opinion that these employees should be obtained from England and not from the United States, for the following reasons:-

“But for the express purpose of engendering confidence in the Department, at the outset I look upon the procural of assistants in the first instance direct from the Mother-Country as of the utmost importance.

“Assayers might be obtained from California, but for the very reasons adverted to in a former part of this report such men would not invest in the Department with that thorough reliability which it is absolutely essential that it should at once command not only that it may succeed, but for the credit of the Government in so delicate a matter as the adjudicating [of] the quality of the precious metals.”

He included an estimate of the expense which would necessarily be incurred during the first two years, amounting to £3,800 the first year and £1,950 the second, and closed his remarks on the proposed assay office by prophesying that the Department would be self-supporting after the first year.

The Government communicated with the Colonial Office in London at once, and on September 19th, 1859, the establishment of an Assay and Refining Office as a government institution was authorized, and the scheme as outlined by Captain Gosset, slightly modified in the matter of wages, allowances, was approved.²⁷

Mr. Francis George Claudet, a brother, and for some years an assistant to his brother, Mr. Frederick Claudet, an eminent London assayer, then of Cannon Street, was appointed Assayer at a salary of £500 a year,²⁸ and Mr. Frederick Henry Bousfield, a junior Assayer who had been employed in the same office for three years, was appointed assistant at £350.²⁹ Both these gentlemen had received a good scientific education and were qualified to analyze ores and to act generally as analytical chemists. Notification of the appointment was given Claudet by Thomas Graham, the Master of the Royal Mint at London, by a letter³⁰ dated October 17, 1859, as follows:-

“Sir – I have the honor to inform you of your appointment to the office of Assayer in the Government Refinery and Assay Office to be established in British Columbia by the Colonial Government and placed under the direction of Capt. Gosset, R.E., Treasurer of the Colony.

“The engagement is for a period of two years and a half from the time of your arrival in British Columbia. The salary of your office is to be four hundred and fifty pounds for the first year and at the rate of five hundred pounds per annum for the remainder of the period. One hundred pounds in addition is to be allowed for your passage-money, and also three months’ half-pay.

²⁷ B.C. Papers, III., p. 101.

²⁸ B.C. Papers, III., p. 103.

²⁹ Letter, Col. Sec. to Gosset, Aug. 15, 1860.

³⁰ Letter, Master of the Mint to Claudet, Oct. 17, 1859.

“Your assistance will be immediately required in collecting and preparing for shipment the various implements, apparatus, and material necessary in your department, till the period of your embarkation, which it is expected will not exceed six weeks from this date.

“I have, etc.,

[Signed] “Thomas Graham.”

Mr. Charles A. Bacon was engaged as operative melter at a salary of £500 per year, and Mr. W. Hitchcock as assistant melter at £300.³¹ The terms of the appointments were for two and a half years certain after their arrival in the colony, the operative melter to be allowed £50 for return passage money if he wishes to return at the end of that period.

In January, 1860, the approval of the Assay Office reached the authorities in British Columbia, and the Governor proceeded at once to have the necessary buildings erected, including quarters for the officers.³²

The British Columbia officials at New Westminster considered a government assay office to be an important institution, and that it should therefore be housed in a fitting building. A plan was accordingly drawn and estimates made showing the proposed cost of the same at £3,400. The Governor’s ideas were of a different sort, for on April 2, 1860, the following letter³³ was forwarded to Captain Gosset:-

“I am desired by His Excellency the Governor to acquaint you that a plan for an assay office has been received from Colonel Moody, the estimated cost of which is three hundred thousand, four hundred pounds. Funds to that extent are not available, and therefore, to prevent further loss of valuable time, His Excellency directs me to request that you will institute measures at once for the erection of a building that will answer all present purposes, and which His Excellency has good reason to believe can be carried out for a sum not exceeding four hundred pounds.

The instructions of Governor Douglas were complied with and the building was completed on May 23, 1860. £250 more was expended in providing quarters for the officials sent from London. The reached Victoria in February, 1860,³⁴ and arrived in New Westminster during the summer; installed the machinery and apparatus for assaying, and at the beginning of August, 1860, the Assay Office was in operation.³⁵ By the 28th of the month, 1,600 oz. of gold had been smelted and run into bars of various weights.

There was continual friction between Captain Gosset, the Treasurer of British Columbia, and the Governor. An extract from a letter³⁶ from the Colonial Secretary to Captain Gosset is an example of this:-

³¹ Letter, Col. Sec. to Gosset, Aug. 15, 1860.

³² Letter to Gosset, May 19, 1860.

³³ Col. Sec. to Gosset, April 2, 1860.

³⁴ *Colonist*, Feb. 14, 1860. “Four gentlemen to be connected with the projected Government Assay Office at New Westminster, named Hitchcock, Claudet, Bacon and Bonsfield, arrived by last steamer.” ASSAY OFFICE. (1860, February 14). *British Colonist*, p. 2.

³⁵ B.C. Papers, IV., p. 22.

³⁶ Col. Sec. to Gosset, Aug. 10, 1860.

“With reference to your letters of the 4th and 8th inst., I am directed by His Excellency the Governor to inform you that he cannot suffer his time to be consumed in the perusal of a mass of correspondence purporting to seek out certain specific information, but in reality forming a vehicle for the expression of self-appreciation of your services as a public officers, and for the enunciation of your ideas of the manner in which His Excellency should conduct his official duties, and His Excellency, therefore, declines to receive any further communications of a character so irrelevant and unbusinesslike, and contrary to the established rule of the public service, which provides that separate letters are to be invariably written on separate subjects.”

They were naturally antipathetic. Both had been accustomed to command, not to obey. The people of New Westminster, among whom Gosset lived, disliked Douglas, whom, they considered, whether rightfully or wrongly, to be a partisan of their rival, the City of Victoria, where he resided. In any case, without in any way reflecting either on the Governor or the Colonial Treasurer, the above letter, as well as many others quoted hereafter, together with the Governor’s terse memoranda on the margin of many of Gosset’s letters, show that, to put it mildly, they had no affection for each other.

They disagreed as to the designation of the Government Assay Office. Gosset insisted on calling it “The Royal Mint.” The Governor insisted that it should be styled “The Government Assay Office.” Various letters passed between them on this point, but the matter was settled definitely and distinctly by the Governor without regard to Gosset’s wishes. This³⁷ is the last word:-

“I have laid before His Excellency the Governor your letter of the 20th instant, explaining the reasons which had induced you to adopt the designation ‘Royal Mint’ in your letters and documents relating to the Government Assay Office, British Columbia.

“Her Majesty’s Government, notwithstanding the report to which you allude, decided upon the establishment of a Government Assay Office and Refinery in British Columbia, which was all at present asked for, and, therefore, His Excellency conceived that to authorize the adoption of the fictitious title ‘Royal Mint,’ the office being an assay office and not a mint, would be a proceeding of unwarrantable assumption on his part, and an act of pretense unworthy the dignity of government.”

The first ingots cast by the Assay Office had no value stamped thereon, as no rules and regulations had at that time been drawn up, but in August, 1860, the Governor instructed Gosset to stamp them with the value and a distinctive mark:-

“It would seem *indispensable* that the value of the ingots should be *stamped thereon*, and it appears equally necessary that some distinctive mark, not easy of counterfeit should also be stamped on the ingot to show where the assay was made and vouch for its genuineness.”³⁸

This definite instruction does not seem to have been carried out. As Claudet said in a letter³⁹ to his brother in London, “Captain Gosset has curious notions about

³⁷ Letter, Col. Sec. to Gosset, Oct. 31, 1860.

³⁸ Col. Sec. to Gosset, Aug. 27, 1860.

³⁹ Letter, Claudet to his brother, Aug. 4, 1860.

adopting £'s and decimals instead of \$'s and cents for our assay memoranda," but, having no authority to do this, compromised by putting no stamp on the bars themselves, but directed by a certificate to be given to the owner stating the value in dollars. This made it necessary for holders of the Government Assay Office bars to go to private assayers in order that the value of the bars should be re-ascertained and marked thereon in dollars and cents. Naturally this caused the Government bars to be at a discount as against those originally issued by private assayers. On this being communicated to the Governor he reiterated⁴⁰ his directions to comply with his instructions. He says:-

"His Excellency learns with great concern, and, indeed, with some surprise, that the Government bars are at a discount as compared with the bars of private assayers, for transactions in bullion and coin are not subject to many of the incidents attending other occupations and trades, and against such transactions no serious *combination* can be successfully established or carried on so long as equal accommodation and confidence exist.

"His Excellency fully concurs with you in the idea expressed in the second paragraph of your letter – that an effort should be made to terminate this state of things – and he should observe that an obvious and practical remedy presents itself in making the public sensible of the superior advantages of the Government over private assays in point of economy, accuracy, and character, which, unfortunately, he gleans from your communication, would not seem to be the case at present.

"His Excellency would desire that the simple expedient should be tried of reducing the charge for assays to the same standard as private offices, and he has no objection, so far as means permit, to your purchasing gold-dust from persons who are in haste and cannot wait for the assay; but from the opinion of the leading men of business here, His Excellency is convinced that the most cogent objections to the Government Assay Office arises from the simple fact of the value of the bars not being stamped thereon in the current notation, dollars and cents; and he feels satisfied that this practice must be adopted to meet the requirements of the mercantile community, over whose method of notation the Government has no control, and whose convenience the Government must consult if it desires their support."

At the same time he submitted the matter to Rothschild's agents in San Francisco (Davidson & May), who replied⁴¹ as follows:-

"The bars, as far as I have had an opportunity of observing, are well cast and present a neat appearance, although the numbers are too large and might with advantage be replaced by smaller ones.

"The amount in dollars and cents according to the American standard (printed tables of which exist) ought to be stamped on the bars. It is indeed necessary that this should be the case, as the purchaser would otherwise be invariably subjected to the inconvenience of making the calculations himself. It is true that a certificate accompanies each bar and shows the value in dollars, but that is only for the use of the original depositor of the gold.

⁴⁰ Col. Sec. to Gosset, Nov. 29, 1860.

⁴¹ Letter, B. Davidson to Douglas, Nov. 28, 1860.

“I think for the present that it would be quite useless to stamp the value in £; the bars, with few exceptions, are remitted to this country, and therefore it is evidently preferable that the value should be calculated in the same manner as the bars made here. To stamp the value in £ would only complicate the disposal of them, and give rise to endless discussions between the seller and purchaser as to the relative value of the two currencies. In addition to this the majority of the merchants, miners & traders, both in British Columbia and Victoria, are, I believe, in the habit of keeping their accounts in dollars.”

In consequence of this advice which was communicated to Gosset, the Governor ordered the value to be stamped on each bar in dollars and cents according to the American standard.⁴²

Before the Governor’s decision had reached Gosset, he had already recognized the necessity for taking this course and had begun to stamp the ingots with their value in American money. The rates of assaying were reduced, and the Treasurer was authorized to make any advances for gold-dust that the funds in his hands would permit, provided sufficient specie was reserved for the requirements of government, and care taken that no loss was occasioned to the revenue by the transaction.⁴³

These changes in the practice of the Assay Office rendered it more acceptable to the miners and made the government bars marketable at regular prices. As the Governor said:-

“The depreciation of the Government Assay Office bars arose solely from the imperfect form in which they were at first issued, and from their being in consequence unmarketable until recast.”⁴⁴

In April, 1861, formal regulations were issued providing that each ingot of gold bullion was to be stamped with the number corresponding to its number in the official records; with its weight in ounces and decimals of an ounce; its fineness in thousands; also the government cipher, a crown over the letters “V.R.” With each ingot was to be given a certificate signed by the government officer of the weight of the deposit before melting; its weight after; its fineness; the charge for assaying; and its value in dollars and cents.⁴⁵

In 1862 the staff was ordered to be reduced to one Assayer and one melter, as from December 31, 1863.⁴⁶

The Assay Office was a success in handling the gold so far as the miners were concerned. Two or three per cent. on the whole value of the dust was gained by having the gold melted and assayed at the government office. One trader alone estimated his gain in 1861 by using the Assay Office at over \$1,000.⁴⁷

The Assay Office never became self-supporting. In 1861 the expenditure in salaries was £1,100 more than the receipts.⁴⁸ In January, 1862, the expenses from

⁴² Letter, Col. Sec. to Gosset, Dec. 13, 1860.

⁴³ Letter, Col. Sec. to Gosset, Dec. 17, 1860.

⁴⁴ Letter, Col. Sec. to Gosset, April 1, 1861.

⁴⁵ *Columbian*, August 8, 1861. (Government advertisement for the mint.)

⁴⁶ Letter Col. Sec. to Gosset, June 19, 1862.

⁴⁷ *Columbian*, August 8, 1861. (Letter from CORRESPONDENT.)

⁴⁸ Col. Sec. to Gosset, June 18, 1862.

the commencement had been upwards of £7,000 and the receipts about £900. In 1866 the deficit was \$2,941.49.

It was only a short time before other Assay Offices opened. Molitor, of San Francisco (probably the Molitor of Wass, Molitor & Co., who coined gold pieces in San Francisco in 1852), and Wells Fargo & Co., also of that city, opened private Assay Offices in Victoria in April, 1862.⁴⁹ The Bank of British Columbia had an Assay Office in Cariboo in 1865. The Government insisted not only on re-assaying, but on re-melting the bank's bars at its office in New Westminster. The bank protested against this action by the Government, claiming a loss in the value of the gold thereby, and in some cases a loss of interest occasioned by delay in transmission to the point of shipment to market.⁵⁰ It asked that the gold bars as assayed by the bank should be allowed to pass on the declared value without further assay; or, if this could not be done, that the bars be simply assayed without being re-melted. If this last was not allowed, the bank was willing to dispense with the Government's stamp being put on the bars, as it was quite satisfied with its own assay.

It will be noted that at this time there was a duty of 2s. per ounce on the export of gold, unless the gold had been assayed at the Government Assay Office, in which case the duty was 1s. 6d. per ounce.⁵¹ Hence the desire of the bank to have its gold bear the Assay Office stamp, if possible, so long as obtaining such stamp did not cause loss to it in other ways.

The matter was taken up with Mr. Claudet, who pointed out that if the bank's bars were permitted to pass without being remelted, it would be necessary for the bank assayer to allow enough of the weight of each bar to admit of a chip being cut off at New Westminster for assay without altering the enfacéd weight of the bar.⁵² After consideration the Government, without acceding to the bank's request, made a change in the instructions to the Assay Office in order to obviate delay in transmission. The reason of refusal to comply with the bank's request was the fear that any such favor might be an inducement to miners to sell direct to it and not pass their gold through the Assay Office.⁵³ The instructions were:-

“. . . I am directed by the officer administering the government to inform you that he is unable to grant all the privileges asked for in that letter, but being anxious to meet your views as far as is consistent with the public interests of the Colony, he has issued the following instructions to the Manager of the Government Assay Department: 'That, whenever it can be shown that the Treasure is likely to miss the opportunity of being shipped by the mail-steamer through the delay caused by re-melting the bars, he is authorized to use his discretion in passing such bars without re-melting the fineness of which corresponds with his own assay,' but the Government stamp cannot in these cases be placed on bars which have not been re-melted."⁵⁴

⁴⁹ *Colonist*, April 26, 1862.

⁵⁰ Bank of B.C. to Col. Sec., Sept. 9, 1865.

⁵¹ Ordinance of B.C. No. 13, March 25, 1865.

⁵² Letter from Claudet, Oct. 12, 1865.

⁵³ Note by Hon. A. N. Birch, on copy of letter to Lang, *infra*.

⁵⁴ Letter to Lang, Mgr. Bank of B.C., Nov. 7, 1865.

The bank was not satisfied with the Government's decision, claiming that the small privilege granted was of no value to it and pointing out an instance where it had lost interest on \$106,000 for a fortnight or more by reason of having to pass their bars through the Assay Office.⁵⁵ In replying⁵⁶ to this the Government pointed out:-

“ . . . I would beg to call your attention to the fact that in order to meet Clause 3 in the Gold Export Ordinance, specifying that ‘Gold assayed at a Govt. assay office should only pay 1/6 per oz. duty,’ it was absolutely necessary that the gold should be re-assayed, and as the gold bars which came down last week from Cariboo were only deposited in the Assay Office here at 10 a.m. on the 11th, just as the ‘Enterprise’ was leaving and the steamer ‘Active’ left Victoria on the morning of the 13th I cannot see how your loss of interest arises from the decision of His Honor contained in my letter of Nov. 7th.”

The duty on gold referred to having been removed in 1866, the bank went on with its own assaying to the detriment of the business of the Government Office. In March, 1867, Claudet endeavored to arrange for the assaying of the Bank of British Columbia being done by the Government Assay Office, and found, in discussing the matter with the Manager, that the Bank of British North America had agreed to do it for one-eighth of 1 per cent.⁵⁷

“Knowing that the result of such an arrangement would be that nearly the whole of the gold produced in the Colony would be assayed at the Bank Assay Office,” he offered to do it for one-tenth of 1 per cent. The Manager said that as he had been notified that the resolution of the Council only provided for the continuance of the Assay Office for that year unless self-supporting, he feared that in all probability the office would be closed at the end of the year, and if he canceled the agreement with the Bank of British North America, he might have to renew it the next year on less advantageous terms, and therefore considered it best to carry out the arrangement he had made. The result of this would be that, as nearly the whole of the gold produced passed through the banks, but little would find its way to the Government Office. In order to keep it alive and to prevent a monopoly in the purchase and assay of gold-dust which could not but be prejudicial to the interest of the miners, he suggested the establishment of a small branch Assay Office at Williams Creek on which the town of Barkerville is situated.

“The miners will, I think, prefer having their dust assayed and selling the bars at a certain discount, to disposing of their dust at whatever value is placed upon it by the banks.”

He did not imagine that this would render the office self-supporting, but, as he understood the Governor wished to continue it, it might make it of more use to the Colony than by keeping it on its then footing at New Westminster. The only extra expense would be transport of material and traveling expenses. He proposed to go to Williams Creek himself and leave Hitchcock and the assistant at New Westminster.

⁵⁵ Letter, Lang to Col. Sec., Nov. 13, 1865.

⁵⁶ Letter to Lang, Nov. 17, 1865.

⁵⁷ Claudet to Col. Sec., March 29, 1867.

He also suggested the purchase of gold bars by the branch office and the disposal thereof through Messrs. Davidson & Co., Rothschild's agents at San Francisco.

The arrangement to buy gold was looked upon favorably, but when the expenses of the proposed Williams Creek branch were estimated by Mr. Claudet at \$1,700, the Government found itself unable at that time to entertain the proposition.⁵⁸

At one time the Government contemplated establishing a branch Assay Office at Kootenay, but the scheme was never carried out.

The idea of establishing a branch Assay Office at Williams Creek was not abandoned entirely. Later, in 1868, the matter was again taken up, and it was determined to make the experiment.⁵⁹ Figures were obtained for the cost of conveyance of the necessary equipment to Cariboo.⁶⁰ It was arranged for Hitchcock to go there and take charge with the assistance of William McColl (well known in Westminster in later years), who at one time had been in the New Westminster office for a considerable time, "and is an intelligent lad."⁶¹ In May, 1868, Hitchcock left New Westminster to open the new establishment. The rate for assays was fixed at one-half of 1 per cent. as being the same as that made by former Assay Offices in Cariboo.⁶² Ten dollars was made the charge for quartz assays. In August Hitchcock sent down his report to July 23, from which it appears that the venture bade fair to be a success and Claudet was in great hopes that it would prove to be self-supporting.⁶³ The Bank of British Columbia had its gold assayed there, a special rate of one-quarter of 1 per cent. being made to it; and the Hudson's Bay Company took the Government gold bars at par.⁶⁴ The office did more than assay gold; it furnished accurate assays of ores, reported on minerals, and gave advice and information on geological, mineralogical, and metallurgical subjects.

In 1869 there was considerable excitement over the discovery of gold in the Peace River country. Owing to this the Government doubted whether it would be advisable to send the year's supply of stores, etc., to the Cariboo branch, fearing an exodus of miners to the new goldfields, but left the matter to Mr. Claudet, to hold back the stores or forward them as he deemed best.⁶⁵

In May, 1870, Hitchcock reported to Claudet that the Bank of British Columbia had instructed their agent at Barkerville to cease patronizing the Cariboo Branch Assay Office and to send all their gold to Victoria to be assayed there.⁶⁶ This was a severe blow, as it deprived the office of its largest customer, and in consequence of

⁵⁸ Letter, Claudet to Col. Sec., April 12, 1867.

⁵⁹ Letter, Claudet to Col. Sec., Nov. 26, 1868.

⁶⁰ Letter, Claudet to Col. Sec., Dec. 21, 1868.

⁶¹ Letter, Claudet to Col. Sec., Feb. 4, 1869.

⁶² Letter, Claudet to Col. Sec., April 27, 1869.

⁶³ Letter, Claudet to Col. Sec., Aug. 10, 1869.

⁶⁴ Letter, Claudet to Col. Sec., Jan. 4, 1870.

⁶⁵ Note to Claudet's letter, April 26, 1870.

⁶⁶ Letter, Claudet to Col. Sec., May 20, 1870.

the bank's action the amount of gold passing through the office was much less than that handled the previous year.⁶⁷

In December, 1870, the Government notified⁶⁸ Claudet that in all probability his services would not be required after 1871, but on his inquiring⁶⁹ what the intentions of the Government were as to compensating him for his eleven years' service as head of the Assay Office, and when it was proposed to close the office, he was advised:-

“That it is not the intention of the present Government to abolish the Assay Department and that the question will be dealt with by the Local Administration which may be in office after Confederation, but that as it seems probable that such a change may then be made, timely warning was given in order that you might have a due notice thereof.”

British Columbia became a Province of the Dominion in July, 1871, and on January 21, 1873, Hon. W. J. Armstrong, Provincial Secretary, notified Claudet that the Assay Office was to be closed.

THE MINT

The idea of a local Mint coining local gold into currency was no new one to the miners. In 1849 the Oregon Exchange Company had coined their own money at Oregon City, made from their own gold. From 1849 until 1855, when the branch of the United States Mint was established at San Francisco, private firms had coined the gold of California into currency. In 1849 the Mormons in Utah had minted their gold into coins, engraving thereon the bee-hive as an emblem of that industry which alone enriches a commonwealth. Various firms in Colorado were busy coining money in 1860 and 1861. In Australia the demands of the miners had caused the Imperial Government, in 1855, to establish in Sydney a branch of the Royal Mint, and there seemed no reason why such an institution should not be established in British Columbia. The gold of British Columbia was pouring into the United States Mint at San Francisco and into private Assay Offices in that city. By November 20, 1858, gold to the value of \$500,000 had reached the Californian metropolis.

The first mention of a Mint made by Governor Douglas in his despatches to London is in that of April 11, 1859.⁷⁰ Even at that time he thought that, although expensive, such an establishment would be more efficient than an Assay Office, and that, if Her Majesty's Government were to set one up at once, he thought the circumstances of the country would justify the outlay. But even this was not the first time the matter had been under consideration by the Home authorities.

In November, 1858, when Captain W. Driscoll Gosset was sent from England as Colonial Treasurer of the Province of British Columbia, one of the duties imposed on him by the Secretary for the Colonies, Sir Edward Bulwer-Lytton, had been to organize “a mint (of which an assay office forms a part) should the necessity arise for

⁶⁷ Letter, Claudet to Col. Sec., Nov. 29, 1870.

⁶⁸ Note to letter, Claudet to Col. Sec., Nov. 22, 1870.

⁶⁹ Letter, Claudet to Col. Sec., Jan. 4, 1871.

⁷⁰ B.C. Papers, III., p. 5.

such an establishment in this colony.”⁷¹ To do this intelligently, he discussed the matter with the officials of the Royal Mint before leaving England, and on his way to the scene of his labors studied the American institutions of the same class, and made inquiries from the residents of San Francisco as to the effect on the people of the operation of a mint in that city. He made no report on the matter until requested by Governor Douglas to do so in April, 1859.

Before this report was asked for, the Legislature of Vancouver’s Island had moved in the matter. Although the gold was produced in British Columbia, a separate colony, the good people of Victoria thought it would be more advantageous to the country generally, and to themselves in particular, to have the Mint located in their own city regardless of the locality in which the gold was found. Accordingly, on March 31, 1859, an address⁷² to the Governor was adopted, “praying that he will urge upon the Home Government the desirability of establishing a Mint in this colony, and also that the money therein coined shall be decimal currency of the same value as that of the United States of America”; to which the Governor replied⁷³ on April 6:-

“I beg to assure the House that I will, without delay, enter into communication with Her Majesty’s Government, strongly recommending the expediency and advantage of establishing a Mint on Vancouver’s Island.”

This reply did not increase his popularity in New Westminster.

On April 25, 1859, in obedience to the Governor’s instructions, Gosset made a lengthy report to the Governor on the question of the Mint.⁷⁴ He considered that the establishment of a Mint at that time, even in British Columbia, would be premature, on account of the large expenditure that would be necessary, as had been shown by the establishment of the Mint in Sydney, New South Wales, which cost between £60,000 and £80,000. He considered it would be sufficient for the time being to establish those branches of a Mint comprised under the heads of a smelting-house and assay office, and that this should be done with the least possible delay. He did not look with favor on the suggestion put forward by the Legislature of Vancouver’s Island, and apparently approved by the Governor, that a Mint should be established at Victoria. On this point he says:-

“By the admirable express arrangements of the transit houses, the gold will follow one known channel – trade compels this – and that channel will be to, as it is already by, the declared capital of British Columbia. At the capital, therefore, as in most countries, there should the mint be established, and not on Vancouver’s Island, as proposed by the House of Assembly of Vancouver’s Island, and, in all respect I venture to think, inadvertently acquiesced in by his Excellency the Governor of the two colonies.

“The very best intentions of so costly an establishment would be frustrated by taking the gold, for coinage, 100 miles across the sea, away to a colony not itself gold-producing, nor likely to be other than of secondary magnitude as compared with

⁷¹ B.C. Papers, III., p. 13.

⁷² Archives of B.C., Vol. IV., p. 50.

⁷³ Archives of B.C., Vol. IV., p. 51.

⁷⁴ B.C. Papers, Pt. III., p. 13 *et seq.*

British Columbia, to be again returned with the charge of double freight and double insurance to the producers of the metal.

“The very eagerness of the Vancouver House of Assembly to grasp at a mint is evidence of this; the House doubtless felt that a mint in Victoria would tend to draw population and trade away from British Columbia, and to raise their town into the position of a capital of British Columbia, to their own advantage, but to the detriment of their sister colony, of which I venture to count myself one humble guardian.

“Not only, in my humble opinion, does it appear imprudent for the Government of Vancouver’s Island, especially in the present state of its finances, and without any immediate prospect of increased resources, to contemplate the establishment of a mint for the purpose of coining the metal derived from the heart of a neighboring colony, but I should even deem it unadvisable for British Columbia to come to too hasty a resolution on a matter involving, as proved by the cost of the Sydney Mint, £60,000 to £80,000.”

If it were decided to establish a mint and coin money, as a loyal Englishman he could not see the necessity of adopting the currency of the United States, but preferred using the British sovereign, substituting for the usual divisions thereof a decimal arrangement, giving the following reasons for this conclusion:

“With regard to the adoption of the currency of the United States, I do not perceive the necessity for hastily declaring in favor of a foreign metric; nor, in my own opinion, is there any ground for departing from Her Majesty’s initial coin, the British sovereign, possibly substituting for the existing a decimal arrangement proceeding therefrom; of which already there has been issued (I believe as a tentative coin) the much-esteemed florin, the tenth of which might be termed a groat, reviving an old English name of somewhat the same value, with one-tenth again, as a mil or mille; such a decimal arrangement being that which (I believe) would have been recommended by the Commission of Inquiry into the subject, but for the one argument, advanced by dealers who received and disbursed farthings in thousands per diem, viz., that the poor of Great Britain would suffer by the alteration of the farthing, or 1/960 of a pound to the 1/1,000, an argument which would have no weight here, where poverty is unknown, and where the habits of the people and their prosperity induce a positive disregard of fractions under a 5 cent (or about 2½ d.) piece.”

This report was transmitted to the Colonial Secretary at London by Governor Douglas on May 25, 1859. The result, as has been said above, was the establishment of the Assay Office. Still the talk of a mint persisted. A correspondent in the *Colonist* newspaper published at Victoria in August, 1860, said:-

“Our Government officials tell us that in a few years we shall have a branch of the Royal mint, and point to the assay office at New Westminster as an earnest.”⁷⁵

In January, 1861, Claudet called on the Governor and discussed the question of striking coins, and was asked “to write a report about the mode I should propose to

⁷⁵ *Colonist*, Aug. 7, 1860.

make these coins in British Columbia, with all the advantages, etc., and the expense of machinery.”⁷⁶

Claudet sent in his notes on the coin question to Gosset, it being customary to send letters to the Governor through the head of the Department. The Treasurer did not forward it at once, if he ever did. Claudet says:-

“I think he (Gosset) does not approve of it and wishes to delay sending it as long as possible. . . . The Governor and his officials are pulling in opposite directions, quarreling, jealousy, etc., going on to a great extent. . . . The Treasury is purchasing bars at 2 per cent. discount, which they send to Victoria and sell at 1½ per cent. discount at Wells, Fargo’s. . . . But I believe Wells, Fargo are going to charge 2¼ per cent. soon. This method is not a bad one if they will keep it up, but every now and then they refuse to buy at the Treasury, so the people never know whether they can depend upon selling their bars in New Westminster. . . . Of course the plan of striking tokens would be of advantage to the inhabitants, as they could obtain coin at ½ per cent. instead of 2 per cent.”⁷⁷

With the flood of gold which came from Cariboo in the fall of 1861, the situation became acute. In September, 1861, Major Downie,⁷⁸ an experienced and successful California miner (afterwards the author of “Hunting for Gold,” published at San Francisco in 1893), writing to Alex. McDonald, the pioneer Victoria banker, said:-

“California is nowhere in comparison with Williams Creek. Keep good courage, and order a mint for next year.”⁷⁹

The condition of affairs in British Columbia is well described⁸⁰ by the Victoria correspondent of the *Alta California*, of San Francisco, in October, 1861:-

“Although thus abundant the gold, the scarcity of coin is notorious. Much of the metal sent down has to return here in the shape of money and, of course, there is a loss of between two and three per cent, the result of freight insurance and whatnot. This loss has been observed to act very deleteriously to the interest of the colony in several ways, and in none more than the dissatisfaction miners exhibit at the discount, so much so, indeed, that several leave for San Francisco on this account alone, although in carrying their dust with them, they must pay a portion thereof, supposing, of course, their treasure to be insured. To obviate in some measure these disadvantages, it has been proposed in the Legislature, to transmit a petition to Her Majesty, praying for the establishment of a Mint in the colony. Although acknowledging the desirability of such an institution, if supported and paid for by the Home authorities (which, of course, they would not do), the resolution was opposed upon the ground that whether coin or dust were exported, the loss would be nearly the same, particularly as the coin would not circulate in a foreign country; moreover, the cost of establishing a mint (\$50,000) and the expense of maintaining it, say \$2,500 per annum, would, in the present limited amount required for circulation in the

⁷⁶ Letter, Claudet to his brother, Jan. 27, 1861.

⁷⁷ Letter, Claudet to his brother, April 6, 1861.

⁷⁸ William Downie (1819 – 1893).

⁷⁹ B.C. Papers, IV., p. 60.

⁸⁰ *Alta California*, Oct. 25, 1861.

colonies, really amount to a very much greater loss than two and a half per cent.; in fact, figures were brought forward to show that every dollar coined for circulation within the colony would cost about four dollars – of course, for exportation, in payment for value received, the gold dust would be employed. It was therefore considered at all events economical to make use of the United States money, and it was observed that Canada, with her large population, found this to be the case. The fact is, a mint would be beneficial in many ways, but the colony cannot just now afford the luxury; at the same time, it is not a question which can be settled by figures and a two foot rule. There are so many real losses and inconveniences connected with a want of coin, that there may be a doubt whether the expense of a mint would be really any loss at all, even at present. However, the good folk of [New] Westminster may take the matter in hand (they have an Assay Office), and put it down among their next list of grievances – that he (the Governor) knowing how badly off we are for money, has failed to supply us therewith! Until the consummation of this desire, we must be content, as heretofore, to exchange our gold for American coin in San Francisco, and bear the loss, however much we would like to have the profile of our Queen in place of the head of Washington.”

The newspapers took up the demand for a Mint. In the *Colonist* in October a correspondent, signing himself “Oro,” braving the ire of his fellow-townsmen in suggesting that the Mint should be established at New Westminster, writes:-

“I believe the Home Government could, at a cost of about £5,000, establish a Mint – say at New Westminster. Why should not the dust be coined here and circulated, instead of going down to San Francisco for that end? I conceive that such an establishment would by no means be a speculation; but on the contrary, a certain and profitable institution. It would provide an immense saving to the miners, prevent a scarcity of coin, keep the money in the country, encourage emigration (*sic*), and probably introduce many newcomers to buy lots and thereon establish their homesteads.”⁸¹

The matter came up again in the House of Assembly in Victoria on October 11, when Mr. Waddington gave notice of a motion that he would move a petition to Her Majesty on the following Tuesday, asking for the immediate establishment of a Mint in Victoria.⁸² When the matter came up opinions were divided as to the practicability of the Colony taking upon itself the financial burden of such an undertaking. The *Daily Press*, one of the local journals, was of the opinion that it would be hazardous for Vancouver’s Island, with its meager income, to take upon itself such a responsibility; that it should be located at New Westminster and that it should be financed by British Columbia.⁸³ It said:-

“A few days since, Mr. Waddington introduced a measure to the House of Assembly, the object of which was the establishment of a mint in Victoria. We are sorry the question had not an opportunity of being properly discussed – not because there was a great probability of its meeting with the views of the majority of the

⁸¹ *Colonist*, Oct. 12, 1861.

⁸² *Victoria Daily Press*, Oct. 11, 1861.

⁸³ *Daily Press*, Oct. 24, 1861.

inhabitants, or that there was the slightest chance of its passing the House, but in order that every information in possession of the members on the subject might have been placed before the public.

“Any person who has been watching carefully commercial transactions in Victoria for the past month must have been struck with the heavy losses both colonies are suffering for want of coin, although gold in bars and gold in dust could be met with almost everywhere in town. The necessity for the existence of a mint, under the circumstances of abundance of gold and absolute scarcity of coin is surely evident, but when we consider the peculiar circumstances of our case in reference to the miners, the establishment of such an institution becomes more and more urgent. That the mint, however, should be in Vancouver Island, and the expense entailed by its establishment and maintenance supported by the already heavily-taxed inhabitants of this colony, is a scheme with which we by no means coincide.

“New Westminster is the proper locality for such an institution, and British Columbia the proper colony for its maintenance. Already is there a Government Assay Office established in New Westminster, which costs the colony at least £1,500 a year for its support. The scheme originated with Captain Gosset, and was intended to have been the forerunner of a mint. The great difficulty in the way heretofore to place the establishment of a mint in a favorable light before the British Government was the total absence of data in reference to the yield of gold. No reliable statistics could be furnished, and it was not likely that an enterprise would be indulged in, costing at the outset between £20,000 and £30,000, without some tangible foundation to go upon. Circumstances have now happily changed this condition of uncertainty. The amount of gold which *we know* has come this season from Cariboo, and the prospects which are opened of immense yields next year, fully justify the Government of the neighboring colony applying to the Home Government for the immediate establishment of a Mint.

“So important has this question become to us, that without the capacity to coin, we shall be virtually no better off with the enormous mineral wealth of British Columbia, which recent events have displayed, than we were when the gold was coming from the Fraser in dribblets of a few thousand dollars a month. So long as there is a heavy premium for miners taking their gold to San Francisco to exchange it for coin, every lucky digger will take his gold from the colony and leave us poorer than ever in wealth and in population.

“The returns from the express office in this town show how fractional a portion of the gold is cashed in Victoria. The reason is certainly obvious – for no miner who has got over \$2,000 in gold will be silly enough to lose from 2½ to 3½ per cent. on the amount, when he can pay his passage down to San Francisco, get his gold turned into coin and have sufficient surplus to carry him over a considerable portion of the winter, all for the sum which is pocketed by the express offices or other establishments that exchange coin for gold. There is another inducement for the miner taking his gold to a country where a mint is established – he gets the proper value for his dust.

“In all, when we come to consider the risk, insurance, freight of the value to and fro, loss of time in realizing, and the depreciated price of the metal, we are not

wrong in stating that under present circumstances the miners, and therefore both colonies, are losing a percentage that is perfectly startling on the value of the gold produced, from the fact of depending upon other countries for our coin. The inevitable loss to the country in the departure of both wealth and population is of course incalculable, and unless the Government of British Columbia bestirs itself in the matter of establishing a mint, the gold mines of Cariboo will be a curse instead of a blessing to both colonies.”

And later:-

“The want of coin . . . will always drive away the miner whose bags are well filled with dust or bars, and until a mint is established in British Columbia we cannot hope to ameliorate this miserable condition of affairs. On Friday there were merchants in this town actually asking four per cent. for cashing bars.”⁸⁴

The *Press* was of the opinion that the officials of the Assay Office were quite able to operate the mint while carrying on the work of the Assay Office.

“The Assay Office at New Westminster is an expensive institution, and unless connected with a Mint, or aided by the Treasury, purchasing its bars will prove but little benefit to the community. The men who are employed in the establishment have exceedingly high salaries, and are certainly not one-third of their time engaged.”⁸⁵

But the *Colonist* disagreed. Referring to Mr. Waddington’s motion, it said:-

“The immediate cause of Mr. Waddington’s retirement, as we understand it, was the unfortunate ending of the discussion about a Mint, an institution much wanted.”⁸⁶

It was again referred to in the *Colonist* in November, in an editorial⁸⁷ insisting as a necessary condition that the Mint should be established in its home city. The argument of Gosset that the gold should be coined in pounds and subdivisions thereof is effectually answered, so effectually, indeed, that the matter is never afterwards referred to. It said:-

“Fully a million dollars in gold dust has arrived in our market during the last month. So common has gold dust become that the market is glutted. No one will buy it, or but very small quantities can be sold. The reason for this is simply that there is not coin enough in the country to purchase it. Buyers would be numerous enough were it not for this cause. The miners are put to serious inconvenience for want of a medium of exchange, and they have to put up with this inconvenience or go, or send their gold dust, to San Francisco. We have been pestered with the questions: ‘Why don’t you pitch into the banks?’ ‘Why don’t you call upon Government to establish a mint?’

“In answer to the first question, we have to say that we have no more right to pitch into the banks to make them exchange their coin for gold dust than we have to pitch into them to exchange their coin for the potatoes of our farmers. Both are commercial commodities, and we prefer to let bankers, like other people, buy what

⁸⁴ *Daily Press*, Oct. 27, 1861. [Incorrectly cited as Oct. 24 in the original.]

⁸⁵ *Daily Press*, Nov. 4, 1861.

⁸⁶ *Colonist*, Nov. 4, 1861.

⁸⁷ *Colonist*, Nov. 7, 1861.

they please or do what they please with their money. The real truth of the whole matter is, that our bankers, like everybody else, have not money to spare from the ordinary transactions of trade. In answer to the second question about the establishment of a mint, we have to reply that no government mint could be established here soon enough to afford relief during the present glut of gold dust; consequently there is no use whatever in recommending the establishment of a mint with the object of accommodating the miners at the present time.

“In view of the yield of gold another season, it may be well enough to bring the question under notice. There cannot be a doubt in anybody’s mind that enough gold will be taken from the mines next year to warrant the establishment of a small mint. But whether we shall get a mint, that is a question too problematical for us to solve. From the manner in which the discussion on the mint ended in our Assembly, we should infer that we will not, and, consequently, some other expedient will have to be resorted to in order to supply the country with coin.

“Coining money is simply manufacturing money. Hitherto we have been content to produce the raw material, and ship it abroad for sale or to be manufactured into coin and returned here. The whole question, then, resolves itself simply into the fact whether it would be cheaper for us to export raw gold, or encourage the manufacture of gold into coin here. The general opinion of experts appears to be that, basing calculations on the amount of gold-dust hitherto received here, it would be cheaper to export our gold than coin it at home. In other words, the cost of transportation to San Francisco and costs of sale there on our annual yield of gold, would be less than to have it coined here by a cumbrous and costly Government staff of Mint officials. We have not the space nor intention to examine into the *pros* and *cons* of this conclusion at this time. Hereafter we shall deal with it.

“We may as well, nevertheless, bring under notice a few things that deserve consideration if a Mint be seriously contemplated – and we can perceive no good reason why it should not. In the first place, if a Mint be established in these Colonies, it should be established at Victoria, and nowhere else. Grant that a Mint be established at New Westminster, and the consequence is a derangement, or at least there would be serious inconvenience to the commerce of the country. The commerce of the country is not centered at New Westminster. It is centered at Victoria. The up-country merchants don’t buy at New Westminster – they buy at Victoria. They buy on credit here, not there. If they set down gold-dust to pay off, it would have to be sent back to New Westminster for coinage, and then returned here. Thus, three passages would have to be made when one direct passage to Victoria would answer every purpose, and, moreover, the gold would be at its proper destination if it was coined here, where it could be employed, and where it could not avoid being chiefly accumulated. If it be urged that it may be stopped at New Westminster and coined, we urge that merchants usually want to realize as quickly as possible, and they cannot wait for the slow motions of a Mint, nor be put to the trouble of hunting up advances on certificates of gold lodged for coinage there. For this reason, if it must be anywhere, it should be here. . . .

“In the next place, the coinage should be a decimal currency, and not in sterling money. Our money of account is kept in a decimal currency; will be kept in a decimal currency; nothing can prevent it. Our largest trade being with the United States, the money of account will be the same here as there. If we were to coin sovereigns and their fractions, there would be such a loss on the coinage when put in circulation that it would not be tolerated by commercial men, and the gold-dust would be exported abroad. If we think of coming money here, when we are assured that we have enough raw gold to warrant an expensive Mint, then these two points will have to be considered precedent.

“We have said that some other means might be provided to create a circulating medium without a government mint; we certainly think so. In the early days of California, Moffat & Co. and Kellogg obtained licenses to coin money and stamp it with their own names. The same thing might be done here if our government is willing to meet the circumstances. Were there no doubt about a government mint paying, yet with all the pushing it would be a year and [a] half before it would be established. If a private mint can be established, and the community willing to take the coin, we see no reason why someone should not engage in the business. The question of the government monopoly of coinage is not worth consideration. Practical considerations show that a large circulating medium could be created here, and universal accommodation be provided; and that, we believe, ought to be sufficient to induce Government to grant a license here [to] private parties to coin money, stamped with their names. If such were done there would not be much greater danger of loss to the country than by assaying gold and stamping the bars – and they pass current.”

The *Columbian* at New Westminster agreed with the *Colonist* in its demand that a Mint be established, but insisted that it be placed at New Westminster. In the issue of the 7th November it said:-

“Owing to the scarcity of coin in the Treasury here and in the banking-houses in Victoria, miners are compelled to go to San Francisco for the purpose of having their gold dust turned into coin. . . . Having no adequate supply of coin, and destitute of a Mint, as we are, this treasure has to go to California, thereby obliging miners, who would remain here till spring, when they intend returning to their claims, to go to San Francisco, and when once there they will of course remain till the time arrives for them to return to Cariboo. . . . The bankers of Victoria have certainly practiced their usury long enough, and, with the prospects ahead, the government should set about the immediate establishment of a Mint in connection with the Assay; for if the coin question is so seriously felt now, to what alarming dimensions will it attain next year, with a mining population at least five-fold what it is now, and a corresponding increase in the yield of our mines?”⁸⁸

The Victoria correspondent of the *Alta California* as quoted [earlier] shows the condition of things in British Columbia at the time, and a little later, in a letter of November 5, 1861, he refers at length to the debate in the Vancouver Island Legislature.

⁸⁸ *Columbian*, Nov. 7, 1861.

The difficulties of carrying on business under these circumstances became so great that on the 8th of November a large number of merchants of the City of Victoria waited on the Governor to consult him as to the best means of obtaining a plentiful supply of coin for the Colony.⁸⁹ A suggestion was made by a Victoria paper⁹⁰ that to meet the emergency the Assay Office at New Westminster should be authorized to run the miners' gold into *small* ingots with the value stamped on their face. The want of a Mint was freely canvassed and a proposition discussed to coin \$5, \$10, and \$20 pieces, but nothing definite was arrived at. At the same time exciting news came from the North. Fine gold, such as had been found on the Lower Fraser in 1868, had been discovered in paying quantities (\$10 per diem with a rocker) on the Stickeen River. Gold had also been found upon the Naas and the Skeena. Letters came telling of gold discoveries on the Saskatchewan and also on the western site of the Rocky Mountains. In fact, the indications were that an immense auriferous region extended from Cariboo to Saskatchewan and south to the Okanagan and Similkameen Districts, and how far north no one could tell.⁹¹ The apparent wealth of the colony loomed immense in the eyes of the people of British Columbia. The Governor yielded and on November 14, 1861, after consulting Captain Gosset and Mr. Claudet, and without communicating with England, he directed the Colonial Secretary to write to Captain Gosset as follows:-

“With reference to the interview which you and Mr. Claudet had to-day with the Governor upon the subject of meeting the inconveniences and loss which at present results to the colonies of British Columbia and Vancouver Island through the scarcity of coin, I am instructed by His Excellency to authorize you to dispatch Mr. Claudet to San Francisco to obtain the necessary machinery for coining at the Assay Office in New Westminster pieces of the value of twenty and ten dollars American currency, the total expense of which, it is estimated, will not exceed one thousand pounds sterling. [...] His Excellency wishes you to submit a rough sketch of the device for the coins in question.”⁹²

The design was made by Captain Gosset as requested by the Governor. This, as sketched by him, was approved by the Governor, with the exception that the words “British Columbia Mint,” which he had suggested on the obverse, were directed to be omitted, and the words “Government of British Columbia” substituted therefor.⁹³

In obedience to these instructions, Mr. Claudet left for San Francisco on the 21st November, 1861, to purchase the necessary apparatus for striking coins. He took with him a letter of introduction to Davidson & May, asking them to give him as much information as possible relative to assaying and refining gold in California. On the same date that the Governor authorized Gosset to send Claudet to San Francisco, he sent a despatch to the Duke of Newcastle relative to the matter, which is worthy of quotation in full:-

⁸⁹ *Colonist*, Nov. 9, 1861.

⁹⁰ *Daily Press*, Nov. 13, 1861.

⁹¹ *Alta California*, Nov. 25, 1861.

⁹² Letter, Col. Sec. to Gosset, Nov. 14, 1861.

⁹³ Letter, Col. Sec. to Gosset, Nov. 15, 1861.

“Much inconvenience and loss have, ever since the formation of these colonies, been occasioned by the want of a circulating medium of fixed and recognized value, equal to the business demands of the country. The scarcity of coin has been so great, and gold dust not being received for duties, that importers of goods have found it difficult at all times to make their Custom House payments, and, as is well known, are frequently compelled to borrow money for that purpose at exorbitant rates of interest, varying from two per cent. per month and upwards. Almost all the business of the country is transacted in gold dust of uncertain value, and it is easy to conceive the difficulty and inconvenience of adjusting payments by such means, when the holder and receiver are both alike subject to loss, and fearful of imposition.

“The effects of an over-restricted monetary circulation are now, however, operating so fatally in both colonies that it is indispensable to devise a remedy for an evil that is sapping the very foundation of our prosperity. To illustrate this fact, I would inform your Grace that at this moment there is an amount of gold dust in the hands of miners from Cariboo, residing at Victoria, exceeding one quarter of a million sterling; and so great is the present dearth of coin that it brings a premium of five per cent and over when procurable, which is not generally the case, as men may be seen hawking bars of gold about the streets of Victoria, who cannot raise coin enough, even at the high rates of discount just mentioned, to defray their current expenses. The miners and other holders of gold dust are naturally incensed and refuse to submit to this depreciation on the value of their property, when they know it can be converted into coin for the moderate charge of one-half of one per cent. at the United States Branch Mint in San Francisco; making an important saving to them of $4\frac{1}{2}$ per cent. They are consequently leaving Victoria by every opportunity; and it is most painful to witness a state of things which is rapidly driving population and capital from the country.

“It has been suggested that an issue of notes of varying values, guaranteed by the Government and payable on demand at the public Treasury would, by providing a cheap and simple medium of exchange, meet the evil; but independently of the general objections to a paper currency, its effect in banishing the precious metals, in producing unhealthy inflation and rash speculation, and the fluctuation in the value of the circulating medium, it appears to me that the ramifications of business are not extensive enough to retain the notes in circulation; they would therefore simply return to the Treasury, and soon exceed our means of payment.

“This I conceive would be the inevitable result of an issue of paper in the present condition of the Colony, unless the notes were made a legal tender, a measure which I am not prepared to recommend.

“As a safer remedy and one more suitable to the actual circumstances of the Colonies, I propose to take immediate steps for the manufacture of gold pieces, equal in value to the 10 and 20 dollar American coins, and to bring them into general use as a circulating medium in both Colonies.

“This plan does not contemplate refining the gold, as the expense would be greatly increased by that process: it is merely proposed to bring it to a uniform

standard of fineness, without separating the natural alloy of silver which to some extent exists in all the gold of British Columbia.

“The pieces will be prepared at the Government Assay Office, and will bear the stamp of unquestionable character; and I am of opinion that by making the gold contained in them of the full current value of the piece, without taking the silver into account, which I propose should go as a bonus, they will not only answer as a cheap and convenient currency within the Colonies, but also have the same exchange value when exported to other countries.

“It appears from experiments made by Mr. Davidson, a gentleman of large business experience, and agent for the Rothschilds at San Francisco, that the average fineness of Californian gold in its natural state ranges between 880 and 885, that is to say, in valuing the samples brought to him for sale, his calculations have always been based on those figures, and have never proved defective. This shows that some simple process for roughly determining the value of Fraser River gold may also be arrived at; and that knowledge will facilitate its reduction, within 10 or 20 thousandths, to a uniform degree of fineness, in order that the pieces representing the same value may not vary in weight.

“All the machinery required for this purpose may be procured at San Francisco for the moderate sum of five hundred pounds, and without materially adding to the expense of the present Assay Establishment. Mr. Claudet thinks it will be in his power to manufacture all the pieces wanted for the circulation of the country.

“I have submitted this plan for the consideration of the principal banking and commercial houses of Victoria, with the object of obtaining their views as to the probable effects of the proposed currency on the general business of the country, and more especially as to its exchange value when exported to pay for supplies: the single point which I think admits of any question, for in that case it would probably be treated as simple bullion.

“It was clearly proved by the statements of those gentlemen that the actual cost of importing coin from other countries is rather over 5 per cent., which they believe to be the actual cost of our present metallic currency. Not having had a sufficient time for consideration they were not, however, prepared to give a decided opinion on the general measure, but they admitted that it would establish the value of the gold produced in British Columbia in the cheapest manner, and provide a metallic currency for the country at a cost of 4 per cent. less than is paid for imported coin, and offered no objections either to the plan or the basis of the proposed currency.

“If the principal banking and mercantile houses agree among themselves to receive this currency as a legal tender, no difficulty will be experienced in carrying the measure into effect; and no reason exists why it should not receive their hearty support, as it will surely tend to their advantage, not only by the saving, as before shown, of 4 per cent. on the cost of importing coin, and the complete removal of the cause which is draining the country of wealth and population, but also in the numberless other ways by which the investment of capital serves to promote the general prosperity.

“I will only further remark that considering the great importance of the object in view, and the advantages expected from the operation of this simple and inexpensive plan of providing a metallic currency of character unsuspected and intrinsically equivalent to its stamped value, and therefore not subject to depreciation nor open to the objections which may be urged against a paper currency, I can hardly doubt that Her Majesty’s Government will in these circumstances withhold their approval, or object to my declaring it a legal tender, and causing it to be received at all the public offices within the Colonies in payment of duties and taxes; especially as there is no prospect of this currency being replaced by any preferable circulating medium until the produce of gold, by its abundance, renders the establishment of a branch of the Royal Mint in British Columbia a public necessity.”

Later⁹⁴ the correspondent of the *Alta California* writes:-

“Victoria is full of miners. . . . The fact is, the miners have brought down so much gold that there is not anything like sufficient coin to purchase it. This is a cause of general complaint. The next thing is that gold bars cannot be changed into coin, excepting at a discount, varying from 2½ to 4 per cent. Of course, this arises from having to import coin and export the bars, which cost in insurance, freight, etc., about four per cent., at least. Rather than suffer such a loss, the miners will take themselves and bars to San Francisco, and thus Victoria, and indeed, Vancouver Island, loses the greater part of the benefit expected. There being no amusements of any value here adds to the exodus. . . . From these causes, the *Pacific* will receive, it is expected, not less than three hundred passengers, perhaps more, with their piles, and thus will San Francisco reap the benefit of those mines which she has been so apt to decry. . . . I told you before of the question of the establishment of a Mint having been discussed in the Assembly and superseded. Since that, however, the loss to the country by the deficiency of coin and the manifold injuries resulting therefrom, has forced the attention of the community to the subject, and various schemes of no value have been promulgated to meet the sudden emergency. The Governor has taken the matter up, and called a meeting of merchants about the affair. He has a scheme, viz., of taking varieties of dust, of different fineness, and melting them together, so as to produce a standard fineness, and having obtained that, to coin twenty, ten and five dollar pieces, which shall be in gold intrinsically worth the sum mentioned, and shall equal those of the United States. In fact, he would establish a Mint, but without the most expensive part of that establishment, viz., the refinement of the gold. The silver contained, in more or less quantity, in all the gold, would be left therein, and this would actually increase the value of the coin. It is believed that by such a process, coin could be manufactured at a less cost than one per cent. There is a difficulty, however, which is not easily got over, viz., the depreciation of the value of such coin in a foreign market, where probably it would not circulate. . . . The long and short of the matter is, that, before long, British Columbia will possess a Mint.”

While Claudet was in San Francisco purchasing the machinery necessary to carry out the scheme proposed by Douglas, the wordy warfare between the press of

⁹⁴ *Alta California*, Nov. 29, 1861.

the two capitals went merrily on. The *Columbian* replied⁹⁵ to the editorial in the *Colonist* quoted [earlier] as follows:-

“In the Victoria *Colonist* of the 7th instant, we find an editorial article upon this subject, which is of such extraordinary and absurd character that we can scarcely deal with it under this head. The main object of the writer seems to be to show, first, that it is very doubtful whether the yield of our gold fields will warrant the establishment of a Mint; secondly, that if a Mint is established, Victoria, and not New Westminster, is the location; and, thirdly, that government ought to license private coinage.

“To all three positions we take most decided exception, but shall confine ourselves to the first for the present. We think the present and prospective yield of our mines would fully warrant the establishment of a Mint. . . . who are in the best position to know, have computed the yield of our mines this season at four million dollars, and we think we are safe in assuming that it will be 50 per cent. more next year, which would give us six millions; and calculating that if we had a Mint, and also an export tax on gold, at least two-thirds of that amount would find its way there, which would give us four million dollars to be coined during the ensuing season. And that sum at one per cent., which we believe would be a reasonable charge for coining, would give *forty thousand dollars* as the earnings of the Mint for the first year.

The cost of a Mint has been variously estimated at from one hundred to one hundred and fifty thousand dollars. But we have it from a gentleman who should be the most undoubted authority, that a Mint capable of turning out coin at an average rate of \$100,000 per week could be established for \$75,000, and that would include refinery and \$10,000 in silver. And further, that it could be worked in connection with our Assay for about \$30,000 a year. . . . But this is by no means all that should be placed to the credit of a Mint. We look upon such an institution in very much the same light as the postal service. . . . Neither can we see how any man who understands the Mint question should take the position that we should do without one till such time as it would be self-sustaining. This we say for the sake of argument, holding, as we do, that it can be clearly shown that a Mint would actually earn enough to pay current expenses and interest on the original cost. . . . Quite a variety of schemes have been suggested as a cure for the present coin difficulty, but our own opinion is that nothing short of a Mint will be found to meet the difficulty, and the sooner we have that desideratum the better for this Colony.”

To which the *Colonist* replied⁹⁶:-

“The last *Columbian* [November 14, 1861] thinks our remarks upon the Mint question both “extraordinary and absurd.” Of course it does. We never expected it to arrive at a different conclusion. It is too patriotic to see any other suitable place where a Mint could be located except New Westminster. Had it been published here three years ago it would doubtless have advocated the doctrine of Gov. Douglas’ proclamation that there was “no convenient place for a port of entry near the mouth of the Fraser,” and, consequently, Victoria was the only place. We differed with such

⁹⁵ *Columbian*, Nov. 14, 1861.

⁹⁶ *Colonist*, Nov. 21, 1861.

high authority, and a few months after a “convenient” port of entry was found at Queensboro’. We differ now with Gov. Douglas and the *Columbian*. We hold that Victoria is the proper and only place where a Mint ought to be established. If water-power were absolutely necessary to propel the machinery of a Mint, and if the capacious Fraser were the most convenient water-power, why we, of course, would concede the correctness of the conclusions of our contemporary, and consent to see a Mint established there. Or if the commerce of the country were centered at New Westminster, we would offer no objections to the selection of that place. If experts in coining money could not be had out of New Westminster, of course we would submit to the necessity. But it so happens that [the] Fraser River is not required for water-power, neither is commerce centered anywhere but here, and as for manufacturers of coin, they can be had elsewhere. Under such circumstances we cannot perceive that New Westminster has a solitary advantage to recommend it to public favor in reference to the establishment of a Mint there.

“When Gov. Douglas told the gentlemen who waited upon him by invitation to consult about the coinage question, that it was impossible to have money coined except at New Westminster, he was only following out to the letter the mistaken and injurious policy which he has encouraged of keeping these colonies separate and distinct. Had he, in 1858, used his influence to have united them together, the political and commercial interests of the whole country over which he presides would have been much more advanced than they are to-day. If the colonies had been united, such an absurd idea as selecting New Westminster as the place for a Mint would never have been uttered, except by someone requiring the services of a straight-jacket. One might just as well think of erecting a manufactory as far away from the point where its manufactured staples were to be consumed as to suggest any other place than Victoria as the proper locality for a Mint, however humble its proportions might be. No manufacturer would think of selecting a place for his manufactory which would neither accommodate his customers nor enable him to produce the manufactured article at the lowest [cost] of production. Yet such is the policy that Gov. Douglas encourages. Such is the idea that our contemporaries work upon.

“The raw gold it is proposed to coin into money where it will not be convenient to the commerce of the country, but where the delays, commissions, risks, and freight upon it will unavoidably and unnecessarily add to the cost of the money coined. This may be political economy; but it is a very different system from any that is current elsewhere. It may be statesmanship; but we are so obtuse that we cannot see it. It may be an accommodation to the commerce of the country; but we would like to see the merchant who admits it to be so. New Westminster may be the cheapest place to coin money; but no one will believe it. Let a Mint be established there, and it will only be like most of the work of the Government: it will have to be undone. Government will have to pursue its crawfish policy, and back out as it did out of the mule-tax⁹⁷, and in the end will have to commence the coinage of money here as the only suitable and proper place.”

⁹⁷ An unpopular tax to pay for the cost of a road to the gold fields.

From this editorial it is evident that, notwithstanding Governor Douglas's diplomatic reply to the Legislature of Vancouver's Island in April, 1859, he recognized the necessity and fairness of coining the gold of British Columbia at its capital city.

While in San Francisco Claudet purchased⁹⁸ the necessary machinery, consisting of screw-press, rolling-mill, cutting-press, milling-bench, draw-bench, line-shafting, pulleys, hangers, couplings, molds with strap, balance for weighty blanks, gauge for measuring thickness, steam-engines, dies, for which he paid \$5,085.⁹⁹ Evidently his credit was £1,300, as he notes in his diary (now in the possession of his son, F. J. Claudet, Jr., of Nanoose, B.C.):

"	£1,300	
	£6,500	
	£5,085	
	£1,415	left for fuel, reagents, etc."

The screw-press was evidently the one which had been used by the well-known firm of Wass, Molitor & Co. for making the coins issued by them in 1852 and 1855, for he says:-

"Screw-press turns out about twenty coins a minute (Molitor). One man who puts in the blanks has the command; 2 others ply the lever. Man in command has a small stick to push away coin when struck. Dies must be adjusted or set at the proper distance every time before commencing."¹⁰⁰

He says of the rolling-mill:-

"Rolling-Mill, during rolling, anneal three or four times. Rolling does not increase the width except a trifle (1/16 inch); \$20 ingot, 1½ inches, 12½ inches long, ½ inch thick; \$10 ingot, 1 1/8 inches, 12½ inches long, 1 inch thick. Speed of rolling-mill, 20 turns per minute; 120 revolutions on pulley. Every draft through the rolls reduces the strip 1/32 of an inch."

His memoranda on the other machinery are:-

"Cutting press, speed 100 per minute. Milling-machine, 30 turns per minute.

"Draw-bench: In drawing the strips are not widened but only lengthened and compressed; maybe they become a little narrower by tension. Extra dies, for when the others are worn they may be ground over again. Speed 100 feet per minute or 90 revolutions on the pulley. A lathe will be a desirable thing to have, as dies of draw-bench, etc., may require repairing. A rope 1 inch diameter for draw-bench. Mr. Targuot will forward lathe when we have decided on the price.

"Nine molds of two ingots each in one cast-iron pan. This pan is to prevent the loss by spilling or spitting.

"Steam-engine: A 7-inch diameter cylinder, 10 horsepower, 100 speed; 9-foot 4-inch horizontal engine, \$1,400. Boiler ought to have 15 square feet heating surface for every horsepower. The boiler ordered has 20 square feet surface. Boiler was tested to 140 lb. per square inch.

⁹⁸ *Colonist*, March 7, 1862.

⁹⁹ Claudet's note-book.

¹⁰⁰ Claudet's note-book.

“Dies are made according to the coin more or less deep to account for the different thickness of the coin; one original set and two duplicate sets; two collars for each.

“Wooden tank lined with sheet copper (6 by 2 feet) for quenching blanks. The blanks being thrown into a copper sieve (copper pan with large holes) which is placed in the vat with weak sulphur and a pickle. This sieve is then transferred to the other vat, in which it is well washed with hot water. The vats have leaden tubes which lead from the boiler to heat them. The wax is cleaned off the planchets in a similar way, only the pieces are put in a strong solution of soap and rattled about with a kind of rake made of cast iron. For the pickle it is made of copper. The dies will soon wear. At the Mint they upset and refix them every two or three weeks (lathe). One pair nearly finished and will require turning down – to upset – heat and redress and hammer a little. Then turn off and heat to redress and cool in water. The pieces have to be cut larger.”

The machinery was ordered from the Vulcan Foundry, San Francisco, and was to be ready by January 21st, 1862.¹⁰¹ The dies were ordered from Mr. Wagner, of Vanderslice’s Silver Manufactory, and were to be ready within six weeks after December 10, 1861. They were to consist of the mother dies, or matrices, as they are called, for \$20 and \$10 pieces, the punches (the dies used for the actual minting of the coins) for same, both without the date, and dies with date added. The whole to be under \$300.

Claudet returned to British Columbia in March, 1862, reaching Victoria, V.I., on the 6th.¹⁰² The machinery and supplies, consisting of twenty-five packages and eighty-one pieces of machinery, came on the same vessel and were landed at Esquimalt, near Victoria. On the 19th the Governor applied to the Senior Naval Officer at that place, Hon. J. W. S. Spencer, for the services of a gunboat to convey it to New Westminster.¹⁰³ The “Forward” was requisitioned for this purpose and on April 3 it reached New Westminster. The crew of the “Forward” landed it and conveyed it to the building which had been erected for the purpose on the site now occupied by the easterly portion of the Post Office Building on Columbia Street. The citizens of New Westminster were rejoiced to see their dream of a Mint becoming a solid fact and confidently expected to see it in operation and coining money by May 1.¹⁰⁴ Alas for the vanity of human wishes!

Gosset lost no time in taking steps to get the Mint in operation. On April 3 he wrote to the Governor for instructions respecting the arrangements for installing the machinery. But what was his surprise to find that the enthusiasm which had actuated the Governor in his dispatch to the Duke of Newcastle in November, 1861, and which had been the cause of Claudet’s mission to San Francisco, had entirely evaporated. The Governor did not propose to authorize any additional expenditure at this time. On the contrary, Gosset was, in the language of the citizens of New

¹⁰¹ *Mining & Scientific Press*, S.F., April 25, 1862.

¹⁰² *Colonist*, March 7, 1862.

¹⁰³ Letter, Douglas to Spencer, March 19, 1862.

¹⁰⁴ *Columbian*, April 3, 1862.

Westminster, to “grease it and lay it away,”¹⁰⁵ or, as the Colonial Secretary more elegantly phrased it:-

“In the meantime proper care is to be taken for the due preservation of the machinery, and application is to be made to Colonel Moody for the occasional services of a sapper¹⁰⁶ to do any necessary work of cleaning, oiling, etc.”¹⁰⁷

To say that Gosset was indignant is to put it mildly. A well-known citizen of New Westminster, W. B. (Bailey) Ross – now dead some years – told the writer that, meeting him about this time, he asked him, “Captain, what’s new to-day?” All Gosset could say was, “Grease it and lay it away.” He (Gosset) walked three or four steps and repeated, “Grease it and lay it away.” Mr. Ross thought Gosset was crazy. Again he broke out, “D—n it, grease it and lay it away.”

Gosset protested vigorously, but was again told “to take such measures as may be proper for the due preservation of the machinery.” The Governor, however, yielded so far as to allow the unexpected balance of the appropriation of £1,500 which had been made for the Mint to be used for the purchase of timber and bricks to complete the work.¹⁰⁸ As Claudet’s note-book shows that his limit of expense in San Francisco was £1,300, there must have been some £200 yet available. As to actual coinage, the Governor did not propose to authorize it at this time. He did “not intend to commence any coining operations before later in the season, when the gold commences to arrive from the upper country.”

With this grudging permission, Gosset proceeded to install the machinery. With the assistance of some of the sappers, placed at his disposal by Colonel Moody (for, as he says in a letter to the Governor, “being an Engineer officer, and therefore not disqualified from directing Engineer soldiers”), he personally took upon himself the task of devising the necessary arrangements.¹⁰⁹ He designed and superintended the masonry, carpentry, and smith’s works, and, “with his own hands,” in some cases put machinery together and in position. In a short time he succeeded in having everything set up and ready for operation.

He then demanded from the Governor that he be allowed to use the title of “Deputy Master of the Mint.” The Governor curtly refused, stating that he had no present intention of altering the designation of the Assay Office.¹¹⁰

Gosset would not take “no” for an answer. He forwarded a long letter¹¹¹ to the Governor, in which he referred to a personal interview he had had with Sir E. B. Lytton before leaving London, and which had been ratified by a Colonial Office letter dated October 11, 1858, which contained these words: “You will further be required

¹⁰⁵ *Columbian*, Apr. 10, 1862.

¹⁰⁶ In 1858 the Home Government sent to British Columbia a company of sappers and miners to New Westminster under the command of Colonel Moody. They were stationed in the eastern part of the city; hence the name Sapperton, by which it is still called. They were disbanded in 1863. [Source:] Howay, *Work of the Royal Engineers in B.C.* [Note in the original.]

¹⁰⁷ Letter, Col. Sec. to Gosset, April 7, 1862.

¹⁰⁸ Letter, Col. Sec. to Gosset, April 14, 1862.

¹⁰⁹ Letter, Gosset to Col. Sec., April 19, 1862.

¹¹⁰ Letter, Col. Sec. to Gosset, April 17, 1862.

¹¹¹ Letter, Gosset to Col. Sec., April 19, 1862.

to undertake the duties of Deputy Master of the Mint, in case of the establishment t any future period of a Mint there;” and he argued that according to ordinary usage he had now the right to assume this designation, for “By the rule or custom of the public service, when an officer is called upon to perform any duties connected with establishing a new department, he is *at once* acknowledged by that title under which it may have been previously agreed upon he should eventually control that department.”

He pointed out that he had given a device for the coins in November, 1861, which had been approved; that under his instructions machinery necessary for the Mint and not required by the Assay Office had been purchased; that he had superintended and personally assisted in putting the machinery in place for operating; that this was no part of his duties as Superintendent of an Assay and Melting Department, but purely Mint duties; and that, in accordance with the custom above referred to, he was entitled to the title of “Acting Deputy Master of the Mint,” even though actual coinage should be deferred for a few months.

To verify his statements in this regard he requested¹¹² Colonel Moody to certify the truth of his statements as to the custom of the service. Moody corroborated his views, saying:-

“*This is correct*, assuming that such duties occur in the country of his future permanent labors. For instance, no duties of a Colonial Department performed in England prior to assuming office in the Colony would authorize the functionary to assume in England (*ex officio*) his Colonial title. I am prepared to state the above, should His Excellency wish for an opinion from me. R. C. M. *April 23rd, 1862.*”

“His Excellency” did not “wish” for any “opinion” from Colonel Moody. He had his own opinion in the matter, and he proposed to stand by it. Gosset was informed¹¹³ that the contents of his letter of the 19th had not been “overlooked” by the Governor, and that no change was to be made either in the name of the British Columbia Assay Office or in the title of the superintending officer.

The dies were forwarded to Douglas by the British Consul at San Francisco on 18th April and were received and acknowledged on the 23rd;¹¹⁴ on the 27th they were forwarded from Victoria to Captain Gosset by the steamer “Enterprise” and reached New Westminster on the 28th.¹¹⁵ The test coins in silver usually sent by the engraver with the dies did not accompany them. Gosset wrote for them,¹¹⁶ and was informed¹¹⁷ by the Colonial Secretary that the Governor had taken them to New Westminster with him. Not receiving them he wrote again, and found that, instead of taking them to Gosset, the Governor had forwarded them to England for the information of the House authorities.¹¹⁸

¹¹² Letter, Gosset to Moody, April 22, 1862.

¹¹³ Letter, Col. Sec. to Gosset, May 5, 1862.

¹¹⁴ Letter, Booker, Br. Consul, to Douglas, April 16, 1862.

¹¹⁵ Letter, Col. Sec. to Gosset, April 27, 1862.

¹¹⁶ Letter, Gosset to Col. Sec., April 28, 1862.

¹¹⁷ Letter, Col. Sec. to Gosset, April 30, 1862.

¹¹⁸ Letter, Col. Sec. to Gosset, May 22, 1862.

Hearing that a dispatch had been received from London in reference to the projected issue of gold coins, Gosset wrote asking for a copy, so that he could carry out the views of the Home Government in respect thereto. He did not get it, but received instead a severe reproof. He was advised¹¹⁹ by the Colonial Secretary that:-

“I am desired by His Excellency to refer you to the instructions you have already received upon this subject, and to acquaint you that further instructions will be issued to you as circumstances require, to all of which His Excellency begs you will strictly attend, as by so doing you will be properly fulfilling the duty entrusted to you.”

A forcible way, surely, of telling him to mind his own business. Gosset wrote again to the Governor on May 19, 1862, a letter which has not been found, but evidently protesting against the action of the Governor in not proceeding with the coinage, but all the reply he got was a reiteration of the direction that the services of a sapper were to be utilized from time to time for keeping the coining machinery in order.¹²⁰

Soon another bombshell exploded. Whether it was initiated by Gosset or arose among the employees of the Assay Office themselves cannot now be determined. They formally applied through him to the Governor “for an increase of salary on account of anticipated extra work arising through the projected issue of gold pieces from the Assay Office.”

The Governor was *not* pleased. He replied¹²¹ that he would take this application into consideration when he determined to make issues. He relied on these men to undertake cheerfully any extra labor within their power which the circumstances of the Colony might require, and suggested that after they had done so he would give his best consideration to an appeal for additional remuneration. At the same time he could not refrain from saying that he had perused the communication under reply with considerable regret and disappointment.

The Governor’s answer was transmitted to the officials, who were in no way appeased by the conciliating terms thereof.¹²² They wrote¹²³ again setting out the terms on which they had accepted their appointment in British Columbia and proposed to go on strike. They said:-

“Having been favored by you with a perusal of His Excellency’s reply to our application for an increase of salary, we cannot but express our regret that His Excellency should have taken so mistaken a view of the grounds on which our application was based, as to imagine that we are desirous of taking advantage of the proposed coining arrangement to urge an unwarrantable claim for additional services. We most certainly considered that the great increase of labor and responsibility would have had some weight with His Excellency; but, apart from this, we hold ourselves entitled to an increase of salary from what we were led to expect

¹¹⁹ Letter, Col. Sec. to Gosset, May 15, 1862.

¹²⁰ Letter, Col. Sec. to Gosset, May 22, 1862.

¹²¹ Letter, Col. Sec. to Gosset, May 30, 1862.

¹²² Letter, Gosset to officials, June 3, 1862.

¹²³ Letter, officials to Gosset, June 3, 1862.

from the Master of the Mint before leaving England, and, as we informed you in our application, it was on this understanding only that we accepted our appointments.

“As, however, His Excellency seems disposed to ignore the promises of the Home Government made through the Master of the Mint, we think it right to inform His Excellency that until the question is decided we shall decline taking any part in the mintage operations.”

This was duly transmitted to the Governor, who, in reply, asked¹²⁴ for copies of the documents containing such promises, as those in the Governor’s possession failed to show any greater increase provided for than had been already accorded.

The officers replied that no written agreement with respect to increase of salary had passed between Mr. Thomas Graham, the Master of the Mint at London, and themselves, but that there had been a verbal arrangement made in the presence of them all, and that, owing to his high position, it had never occurred to them to request him to put it in writing.¹²⁵ They said they had been encouraged to accept the low salaries offered them and to come out to the Colony by his assurance that their salaries would not long remain at so low a figure. They referred him to Mr. Graham, who, they assured him, would cheerfully corroborate what they had stated. In the interim they reiterated their statement that under the existing arrangement he must not expect their co-operation in the proposed Mint.

The Governor replied that their premeditated refusal to undertake the operation of issuing from the Assay Office gold pieces of a certain value bearing a distinctive assay-mark had been under his consideration.¹²⁶ He had carefully gone over the reports of the Master of the Mint and found in these no foundation for their statements. He points out that the conditions therein expressed have been faithfully carried out and that they had free quarters in addition; something that had not been promised. In those reports there was not, that he could find, any stipulation or condition that they were to be the judge of the duties they were to perform.

“The Master of the Mint, in fixing the staff, although on a somewhat smaller scale, evidently took the Branch Mint at Sydney as his guide, and, indeed, constantly refers to that establishment as a prototype. He, moreover, did not consider the services of a melter as indispensable, but considered that the duties might be performed by one or both of the Assayers. A melter was, however, afterwards added to the staff, thus rendering it complete and far larger than, in proportion to the duties performed, the staff of the Sydney Mint.”

He points out that their duties had been of the lightest possible description. The expenses up to that time had been more than £7,000; the receipts only £800; and that there was now an opportunity of making it self-supporting. Instead of putting the gold-dust into bars of large and varying value, it was proposed to put it in pieces of small, fixed values, and in anticipation of instructions to that effect being issued they refused to carry out these instructions. They must be under a misapprehension and possible ignorance of the customs and requirements of the public service. He

¹²⁴ Letter, Col. Sec. to Gosset, June 9, 1862.

¹²⁵ Letter, Claudet, Bacon, Bousfield, & Hitchcock to the Col. Sec., June 11, 1862.

¹²⁶ Letter, Col. Sec. to Gosset, June 19, 1862.

desired to give them every opportunity of perfectly understanding the matter, and informed them that the Home Government had approved of the issuance of such pieces of specified value from the Assay Office of British Columbia, and that he considered it part of their legitimate duty to assist to the utmost of their power to carry out this project. Unless they did so, he would be compelled to view continued refusal on their part as a direct breach of the engagement they entered into with the Government. Faced with the determined stand taken by the Government, the officials were not prepared to carry out their threats to cease work if their demands were not acceded to. They wrote a long letter¹²⁷ to Gosset justifying their claim and asked that the matter be transmitted to the Secretary of State in England and the Master of the Mint for consideration, and that in the meantime they would undertake the operations in question. They also called the Governor's attention to a few points set out in his letter.

They were advised that the Governor refused to trouble the Secretary with the matter.¹²⁸ He said that it was a matter of detail which was solely for him to deal with. He informed them that the only terms upon which he could accept the continued services of the officers employed in the Assay Department would be their unconditional submission to the views of the Government.

The officials did not at once accept the Governor's terms. They insisted¹²⁹ on their privileges as Civil Servants and forwarded a copy of the whole correspondence, demanding that it be sent on to London at the earliest possible convenience. They add:-

“We beg to call the attention of His Grace the Duke of Newcastle to the points for which we contend: 1st, that assurances of salaries larger than those we at present receive were given us by Mr. Graham; 2nd, that we have an additional claim for increased salaries in view of additional responsibility for bullion about to devolve upon us, and of the performance, in coining operations, of duties no part of those for which we engaged, as our official titles significantly express.”

In forwarding it Gosset shows¹³⁰ his sympathy with their request, whether he inspired it or not. He says:-

"I deem it but just towards these gentlemen to record my high opinion of their strict integrity and efficiency in their respective positions. £140,000 worth of gold-dust has passed through their hands and it is my conviction that not one grain has been lost that could have been saved. In this country the value of public officers of unimpeachable character can scarcely be overestimated.

“In view of the Colony's interests, I append a return of the expenditure and receipts of the Department up to the end of last month, and to the remarks thereon beg to request the attention of the Secretary of State, for I should deplore any circumstances which might, especially on the eve of a great gold yield, check the advance of the Department in public favor, or militate against its daily increasing

¹²⁷ Letter, officials to Gosset, June 23, 1862.

¹²⁸ Letter, Gosset to Col. Sec., June 24, 1862.

¹²⁹ Letter, officials to Gosset, July 14, 1862.

¹³⁰ Letter, Gosset to Col. Sec., July 15, 1862.

utility, and the great importance and value of which to the public of British Columbia are generally and loudly acknowledged in the Colony.”

The Governor was not moved by their demand and demanded a categorical reply.¹³¹ They reiterated their demand that the matter be referred to London and the Governor yielded.¹³² The correspondence was forwarded as requested and the Assay Office went on in its accustomed way.

No more was heard of it until 1863. The Secretary of State for the Colonies referred the matter to the Lords of the Treasury, who condemned the course pursued by the officers of the Assay Department, and left the question of increase of salary to be dealt with by the Governor.¹³³ At the same time he called for further statistical information with a view of determining the propriety of continuing the Assay Office, reducing the staff, or discontinuing it altogether. In consequence of the information given, the Assay Office force was reduced to one Assayer and one melter. An annual return was ordered to be made to the Secretary of State for the Colonies thereafter.

An attempt was made by the *Columbian* in May, 1862, to force the Governor's hand and induce him to operate the Mint. Gosset himself may not have written the editorial referring to this matter, but there are many circumstances which warranted the Governor's suspicion that he did, or at least that he instigated the publication of it. In it his authority is frequently cited; the name which he had attempted to have given to the institution, and the title claimed by him as head of it and refused by the Governor, are continuously used; many facts are stated which were peculiarly within his knowledge, and the whole article is peculiarly reminiscent of his letters to the Colonial Secretary. In part it¹³⁴ says:-

“We have drawn attention before to the Government Mint at New Westminster, and its progress towards completion. Its importance is now undoubted, and its proper position in these Colonies, locally, is equally undeniable. The public are not a little indebted to Capt. Gosset, R. E., the Deputy Master of the Mint, appointed by Sir Edward Lytton, and the Chief Commissioner of Lands & Works (Col. Moody), for the energetic manner in which the arrangements of the former have been carried on, and the valuable aid rendered by the latter towards the erection of the requisite apparatus.”

Part of the report of Captain Gosset to the Governor of the 25th of April, 1859, is then cited, and the opening of the Assay Office on the 1st August, 1860, referred to. It continues:-

“In November 1861 our gold fields seemed to warrant another step in civilization. Capt. Gosset was called upon by Governor Douglas to obtain immediate appliances for coinage and to send to San Francisco for some second-hand machinery said to be obtainable there for a few thousand dollars. It is no secret that Capt. Gosset was opposed to hasty action, and would have preferred waiting the results of this year's mining, and if confirmatory of last year's indications, procuring perfect and

¹³¹ Letters, Col. Sec. to Gosset, July 21 and 29, 1862.

¹³² Letter, officials to Gosset, July 22, 1862.

¹³³ Letter, Col. Sec. to Bew, Sept. 28, 1863.

¹³⁴ *Columbian*, May 17, 1862.

very economical machinery from England in time for the down-coming gold of 1863. His opinion was overruled, however, and without delay a gentleman connected with the Department was sent to San Francisco, and Mint machinery was landed at New Westminster early last March. (April really.) . . . At present, we understand that the funds necessary to complete the arrangements of the Mint are refused to Capt. Gosset, who, rather than see all progress stopped, is going on with the principal engineering operations out of his own pocket, heartily aided by Col. Moody's co-operation in the artificer line. This prompt and generous personal action and mutual co-operation have saved us several weeks delay, and will not fail to meet that public approbation to which, under the circumstances, they are pre-eminently entitled. . . . It is time the Governor should issue a Proclamation declaratory of the mintage standard, weights, denominations, etc., legalizing the whole procedure and results, both as a lawful and recognized act of the Deputy Master of the Mint (against whom anyone can lay information for his arraignment for coining money), and to satisfy the public that no harm can accrue by the decision already referred to, a convenient and speedy medium of commerce, like coined money, being always preferable to gold bars, great or small."

A few days later appeared a further editorial¹³⁵ on the same subject:-

"Gold in considerable quantities – large quantities, indeed, considering the season – is coming down, and the daily cry is for coin in exchange. The anxious inquiry propounded every day, "when shall we be able to get our gold converted into coin?" demands an answer from our Government; and what that answer shall be is a matter that interests all of us. Capt. Gosset, the Deputy Master of the Mint, has certainly displayed the most praiseworthy zeal in the erection of the plant so far; and it is gratifying to learn that the Mint will be ready for work in a few days. But the question is, will it be put in operation when it is ready? We regret to know that His Excellency the Governor has seriously hampered Capt. Gosset in the way of funds; and even now the small amount necessary to construct the requisite buildings is not forthcoming. The work has all been done by two or three Royal Engineers kindly furnished by Col. Moody, and under numerous disadvantages, and in spite of diverse obstacles – one would almost be tempted to say *designedly* thrown in the way – the indomitable energy and firm determination of the Deputy Master have triumphed, or will, at least, in a few days. The Royal Mint will shortly be a verity; the coin manufactured from our own gold, bearing its impress, will shortly be in circulation. But hold! Peradventure we are too fast – assuming too much. Is the Deputy Master yet in a position to coin gold if he had it; and is he in a position to procure the gold? Have the necessary steps been taken to enable him to do the former, and will the necessary funds be promptly placed at his disposal to accomplish the latter? These are questions to which the people will expect a practical reply.

"No one having the prosperity of this Colony at heart could witness, without experiencing feelings of keen regret, the constant current of virgin gold which has, during the last four years, flowed into a foreign country for coinage, with an average loss to this country of not less than two per cent., to say nothing of loss and

¹³⁵ *Columbian*, May 31, 1862.

inconvenience arising from scarcity of coin. If we would not have this evil perpetuated for another years, there I no time to be lost. The Government should be at *once* in the field with the Mint. . . . The Royal Mint, if set in timely operation, and conducted upon liberal principles, when taken in connection with the Assaying branch, cannot fail to prove a very great Colonial desideratum. . . . The action of the Deputy Master from the first, in connection with it, will not be forgotten by the people. And now the Governor is expected to mature, as quickly as may be, any requisite preliminary arrangements, and thereby not only remove the monetary evil of which we complain, but dispel that degree of uncertainty in which the Mint is unhappily enshrouded.”

These editorials moved the Governor, but not in the direction that the writer desired, and no order was given to proceed with the coinage. On the contrary, he immediately attacked Captain Gosset as being himself the author or instigator of these articles. Through the Colonial Secretary he demanded¹³⁶ from Gosset what he had to do with them.

“The attention of the Government having been drawn to two articles headed ‘The Royal Mint of British Columbia’; the other, ‘The Royal Mint,’ which appeared respectively in the *British Columbian* newspaper on the 17th and 31st May, 1862, I am desired by His Excellency to request you will state whether you either wholly or partly wrote those articles, or supplied the information, or any part of it, contained in them, or in any way induced their insertion; for it is very evident to His Excellency that, if you did not do so, some person in your Department, either in the Treasury or Assay Office, has betrayed the confidence reposed in him, the articles in question so closely resembled the strain of certain official letters recently received from you.

“Under such circumstances His Excellency deems it but just to your character as a public officer to make these inquiries from you, notwithstanding, it may be, that these articles are now brought to your notice for the first time; for your long experience of the public service, both Military and Civil, will have taught you how impossible it is for public business to be carried out if official matters and arrangements are betrayed in an unauthorized manner, and how contrary such proceedings are to the recognized rules of the public service.

“I am to add that I have made the strictest inquiry throughout the Department, and I am satisfied that the information referred to was not supplied from hence.”

Gosset replied, but it will be noticed that he makes no direct answer to the pointed query of the Governor.¹³⁷ He pleads that illness and pressure of business has put it out of his power to give it due attention sooner. He then goes on to say:-

“I cannot abstain from expressing my astonishment at being asked whether I wrote articles which are a continued tissue of panegyrics on my humble services, or whether I, the Treasurer of this Colony, supplied information for the express purpose of assailing its Governor.

“I have obtained and enclose the articles referred to, and cannot perceive that any *facts* are related therein which are not common topic of conversation among all classes here, in the natural consequence of people’s great interest in the arrival and

¹³⁶ Letter, Col. Sec. to Gosset, June 23, 1862.

¹³⁷ Letter, Gosset to Col. Sec., July 18, 1862.

establishment of a Mint in the Colony, and of the repeated inquiries of visitors at the works why greater advance was not made for the urgency for the establishments expressed by the Governor in November last, as also the consequence of my having to inform architects, and applicants for the post of Engineer, that the Governor did not wish the buildings I recommended, to be gone on with, or the machinist I wanted to be appointed.

“There have been no secrets to keep in the matter, or I should have cautioned my Departments to keep them.

“Although opposed to the formation of a Mint this year, yet, ever since the Governor’s representations to me in Nov. of its immediate urgency, I have endeavored to carry out the scheme with as much vigor as (perhaps more than) if I had been its strongest advocate, and when denied the aid my professional knowledge told me was necessary, sooner than that the want of it, or a temporary want of public funds, should militate against interests, the Governor in November represented to the Secretary of State were important, I labored with my own hands as a common mechanic, as everybody knows who saw me at work, and advanced out of my private purse funds for forwarding some of the most pressing operations.

“I am prepared to meet any inquiry into my conduct as an official of the Colony, and I have, in conclusion, but to request that if His Excellency be not satisfied with this statement he will at once forward this to the Secretary of State.”

The Governor did not reply until late in August.¹³⁸ He evidently took Gosset’s answer more as an admission than as a denial, for the Colonial Secretary says:-

“As you have pleaded ill-health as the cause of your not replying at an earlier date to my communication as aforesaid (viz., of the 23rd June), and as you have since been granted leave of absence on medical certificate, His Excellency desires me to say that he will not pursue the subject further at present so far as you are concerned, but he considers it necessary, nevertheless, now to place upon record that the explanation you profess to afford is most unsatisfactory, and does not, in any way, meet the question at issue, in relation to yourself personally.”

So the incident closed. But neither the pleadings of the Treasurer, the proposed strike on the part of the officials, nor the thundering of the press moved the Governor.¹³⁹ By May 31 the machinery was in place and tested and found to give satisfaction.¹⁴⁰ On June 23 Gosset wrote to the Governor, asking for an engineer to be permanently attached to the Assay Department. The answer¹⁴¹ of the Governor was decided as ever. The Colonial Secretary says:-

“I am desired by the Governor again to acquaint you that it is not, for various weighty reasons, the intention of the Government to commence the manufacture of gold pieces of fixed value until a much later period of the season, and, consequently, there is no present occasion for the services of an engineer to drive the engine.

¹³⁸ Letter, Col. Sec. to Gosset, Aug. 25, 1862.

¹³⁹ *Columbian*, May 31, 1862.

¹⁴⁰ *Colonist*, June 2, 1862.

¹⁴¹ Letter, Col. Sec. to Gosset, June 26, 1862.

“Whenever it may be determined that the manufacture of the gold pieces should be undertaken, full notice will be given, and then the subject of your present application shall receive all due consideration.”

Gosset protested, but it was of no use. The Governor was immovable.¹⁴² He would notify the Treasurer when the issue of gold pieces from the Assay Office would commence.

The people of Victoria still growled because there was no Mint in that city. The *Colonist* said¹⁴³ editorially:-

“Our Legislative Assembly is the most amusing specimen of imbecility which it is possible to find anywhere. . . .When Mr. Waddington brought forward his motion for a mint, it was settled in a jiffy. No sooner was his back turned than the discussion ended, and a mint [was] denied to Victoria. Yet within a week the establishment of a mint at New Westminster was resolved on by Gov. Douglas – a place where it cannot be of as great convenience to the commercial community, as it would have been here. But our commercial interests were sacrificed to imbecility then, and they promise to be so still.”

The Mint being ready to be operated, a few pieces were struck off. In a letter written in 1883 by Provincial Secretary, Hon. John Robson (afterwards Premier), the editor of the *Columbian* newspaper at New Westminster in 1862, to R. W. McLachlan, the veteran numismatist of Montreal, he says:-

“I well remember meeting him (Gosset) after he had achieved his object. He had the coins in his hands, jingling and admiring them, as a child would a new and attractive toy.”

Gosset forwarded a trial specimen of the \$10 gold piece to the Governor on June 26th, 1862, as a sample, but got little thanks from that gentleman. He was informed¹⁴⁴ that:-

“His Excellency will retain the piece in question, and I am, therefore, to request you will bring the value of same to account accordingly.

“With reference to your remark that you had purposely defaced it to prevent its being accidentally circulated, His Excellency presumes this is the only specimen that has left your hands, as no authority has been issued to you to commence the manufacture of the gold pieces.”

Gosset, however, did not strictly comply with the Governor’s orders. Some of the residents of New Westminster had obtained specimens of the coins made from gold supplied by them. Four gold coins were forwarded to the Governor on July 2nd, presumably in consequence of his letter of June 30th, with a request that they be forwarded to the International Exhibition at London, which was to be held that year. In reply the Governor reiterated his orders to strike no more.¹⁴⁵ The Colonial Secretary writes:-

¹⁴² Letter, Col. Sec. to Gosset, July 3, 1862.

¹⁴³ *Colonist*, June 3, 1862.

¹⁴⁴ Letter, Col. Sec. to Gosset, June 30, 1862.

¹⁴⁵ Letter, Col. Sec. to Gosset, July 5, 1862.

“I am desired by the Governor to thank you for the gold pieces forwarded with your letter of the 2nd instant.

“His Excellency declines sending them to the World’s Fair, as he considers that the exhibition of four coins would not produce a very exalted impression of our wealth or artistic ability.

“His Excellency may, however, forward them to the Secretary of State, and you are therefore to bring the amount to account as supplied to this Department.

“The fact of the machinery being in working-order now established, I am to communicate to you His Excellency’s instructions not to stamp any more pieces without specific orders, and to take care that none of the pieces which may have been already stamped as specimens leave your hands.”

Specimen coins, however, had been struck off as above mentioned, and were exhibited to visitors, who were delighted with them, and the people of New Westminster hoped soon to realize the practical benefits of the institution in the issue and circulation of the coin.¹⁴⁶

On July 10 Gosset followed up his prior suggestion of sending coins to the London Exhibition, naming a larger amount, and this was accepted by the Governor. The Colonial Secretary says:-

“Having laid before the Governor your letter of the 10th inst., I have the honor to acquaint you that His Excellency considers it would be desirable to exhibit £100 worth of 10- and 20-dollar Assay Office gold pieces at the International Exhibition.

“I am therefore to request you will remit the amount as a payment on account to the Agents-General for Crown Colonies (Messrs. Julyan and Sargeaunt, 6 Adelphi Terrace, London), to whom I will write by the ensuing mail to authorize the loan of the pieces to the Commissioner for British Columbia during the time the exhibition may be open.

“If you will send the package to me, I will make the necessary arrangements for forwarding by express to the Agents General.

“In reply to your enquiry, His Excellency has no objection to a pair of specimens being framed and preserved in the Assay Department, but until the pieces are put in circulation he cannot permit any to leave your hands without his distinct authority.”

Gosset coined eighteen \$10 pieces and ten \$20 pieces, value £76, and forwarded them to Victoria,¹⁴⁷ whence they were sent to London via San Francisco, with instructions that they should be exhibited as suggested, and that after the exhibition was over they should be sold as bullion and the proceeds placed to the credit of the Colony.¹⁴⁸ That these instructions were carried out is evident from the fact that so few of the coins are now in existence.

Evidently reports reached the Governor that Gosset had paid little heed to his peremptory instructions not to strike coins, nor to allow any pieces struck to pass out

¹⁴⁶ *Columbian*, July 8, 1862.

¹⁴⁷ Col. Sec. to Gosset, July 18, 1862.

¹⁴⁸ Letter, Col. Sec. to Julyan and Sargeaunt, July 25, 1862.

of the hands of the Government into the possession of private persons. In August Gosset was required¹⁴⁹ to furnish the Governor with:-

“A return showing the number of 10- and 20-dollar gold pieces stamped at the Assay Office, the manner in which same have been disposed of, the total weight and value of the gold used in the operation, and the total loss that has arisen therefrom.”

As no such return can now be found in the records at Victoria, B.C., and as Gosset shortly after left the province, it is probable that it was never made.

Although the people of New Westminster had the pleasure of seeing the Mint established in their city and the machinery in full working-order, and enjoyed the view of the specimen coins struck off by that machinery, they waited in vain for the coinage to commence in earnest. Their spokesman, the *Columbian*, again took the matter up in August.¹⁵⁰ After rehearsing the history of the Mint, it goes on to say:-

“After waiting anxiously for the arrival of the machinery, and eagerly watching the necessarily slow progress of its erection, the announcement that the machinery was in successful motion, and subsequently that specimen coins had been minted, and transmitted to the Great Exhibition in London, gladdened the hearts of all. But now that several months have transpired, and yet no coin is being issued, although the evil, which last fall led the Governor to procure this temporary affair from San Francisco in a great hurry, still exists. If the demand for a mint last fall was so urgent as to induce our phlegmatic Governor to take the step he did – if the urgency was so pressing that there was not time to procure a proper establishment from England, but a second-hand, discarded thing from San Francisco must be taken, we should exceedingly like to know why it is that, after incurring three or four times the estimated expense, this Mint is allowed to stand idle for several months, while the evil it was designed to cure still exists and extends with the increasing yield of our mines? We know the Master of the Mint is not in fault; for he has done all that mortal man could do in this matter. The Governor only is to blame, and the people would like to know – have a right to know – why they are subjected to this extraordinary treatment at the hands of their Governor. This miserable apology for a Mint will doubtless stand in the way of our getting a thorough and permanent establishment from England. . . . Certainly the least that the Governor can do, after getting the thing in such haste, is to set it in motion, and let the country reap all the benefits that it is capable of bestowing.”

While these events were taking place Gosset's health was not of the best. It may have been that he was ill physically, or it may have been that constant friction with the Governor had its effect upon his nerves. At any rate, as early as January 1862, he was asking¹⁵¹ for a year's leave of absence on the ground that he had been on continuous employment under the Colonial Office since 1855, and that this entitled him to a respite from his labors. His request was not granted, but in July of that year he insisted¹⁵² on being granted leave. He refers to his former request and

¹⁴⁹ Co. Sec. to Gosset, Aug. 22, 1862.

¹⁵⁰ *Columbian*, Aug. 27, 1862.

¹⁵¹ Letter, Gosset to Col. Sec., Jan. 25, 1862.

¹⁵² Letter, Gosset to Col. Sec., July 14, 1862.

states that at the time he “had been advised to seek relaxation from an office of which the whole organization (since approved by the Audit at home) had from many causes been unusually irksome and the anxieties of which are (as they cannot but be to anyone in so responsible a post) many and constant.

“Averse as a soldier, however, to acknowledge the want of relaxation, and desirous of fulfilling, if in my power, the engagement when I accepted office of organizing a Mint, I have since struggled on, until at length I have coined a few hundred dollars’ worth of money as specimens.”

He goes on to say that he encloses a certificate from the medical gentleman who had wished him to quit before, that he desires six months’ leave of absence, and asks that as soon as possible an officer be appointed to act in his absence. He enclosed in the letter a certificate from Dr. Vernon, Seddall, Staff Assistant Surgeon, which described his condition as “suffering from extreme nervous debility, accompanied by severe headaches, which, at times, completely prostrate him, and render him incapable of carrying on his official duties,” in consequence of which he recommends a leave of absence for the purpose of proceeding to England for the recovery of his health. The letter itself is endorsed:-

“Leave of absence will be granted as soon as arrangements are made for the transfer of the department. – J. D.”

A few days afterward the Colonial Secretary advised¹⁵³ Gosset that his request for leave would be granted subject to the conditions mentioned in the Governor’s endorsement, and as the necessary arrangements would, in great part, depend on the period of his absence, he was asked whether it was his intention, if his health was benefited by the change, to return to the Colony, and not to apply for any further extension of leave. His reply¹⁵⁴ was indefinite, but shows that he had little intention of returning. He says:-

“I have *no thought* beyond the one, of every hour I delay here, to get away from an anxious post I’ve stayed at too long.

“I could not under best circumstances be out in much less than six months – if unfit to return, the absence may be longer, or it may be total. Arrangements to meet a protracted absence are always on the safest side, so many contingencies are against a short limit.”

Not having received the promised leave of absence, he wrote again, asking that there be as little delay as possible in relieving him of his duties.¹⁵⁵

The Colonial Secretary replied that the Governor proposed to appoint Mr. Chartres Brew as Treasurer during Gosset’s temporary absence, and asked if he had an objection to urge against this arrangement.¹⁵⁶ Gosset approved of the selection.¹⁵⁷

¹⁵³ Letter, Col. Sec. to Gosset, July 22, 1862.

¹⁵⁴ Letter, Gosset to Col. Sec., July 24, 1862.

¹⁵⁵ Letter, Gosset to Col. Sec., Aug. 6, 1862.

¹⁵⁶ Letter, Col. Sec. to Gosset, Aug. 11, 1892.

¹⁵⁷ Reply, Aug. 12, 1862.

Mr. Chartres Brew had been sent to British Columbia as Inspector of Police in 1858.¹⁵⁸ He had been a member of the Irish Constabulary and had served with distinction in the Crimean War. He had also acted as Chief Gold Commissioner at Yale in 1859.

On August 21, 1862, formal leave of absence for six months was granted to Gosset.¹⁵⁹ Brew was appointed as Treasurer of the Colony in his absence. All public moneys, books, documents, papers, stores, and all other things whatsoever now in Gosset's charge were to be transferred to him. The public money was to be transferred in the presence of a committee, consisting of Colonel Moody and Mr. Wymond O. Hamley, the Collector of Customs, pursuant to Article 36 of the Treasury instructions.

At the same time Brew was informed of his appointment during Gosset's absence and directed to take over from him the property of the Colony in the latter's possession, and to give the proper receipts therefor.¹⁶⁰

On August 26, 1862, Gosset transferred to Brew all moneys and postage-stamps in his custody, also all books, stores, etc., and took receipts therefor, which he forwarded to the Colonial Secretary at Victoria.¹⁶¹ The receipts are signed by both Gosset and Brew, but no mention is made therein of the dies for the coins or the matrices, although all the other apparatus of the Assay Office are set out in detail, including British Columbia coins to the value of £16.

Early in September, 1862, Gosset left the Colony. He had been popular with the people of New Westminster, who had been solidly behind him in his contests with the Governor. An address¹⁶² was given him by the Municipal Council of the city regretting his departure. In this address occurs a reference to the Mint matter:-

"We value also your energetic endeavors to bring the Coning Department into a state of efficiency, and trust that the authority of the Governor to commence operations will speedily be given, as, in the absence of sufficient coin, a supply of Colonial money will prove a great boon to our commerce."

After Gosset's departure, pressure on the Governor to proceed with the coinage did not cease. In Victoria it took the form of a demand for a Mint in that city, or in the alternative that the New Westminster plant be put into operation. Some extracts from the press, both in Victoria and in New Westminster, will show the feeling of the public on the subject. In October, 1862, the *Colonist*, in an editorial entitled "The Mint,"¹⁶³ says:-

"Some time has now passed since the public were informed of the erection in New Westminster of all the necessary machinery for coining money. Expectation was naturally excited that nothing could prevent our having the gold brought down from the upper country by the miners this year transformed into bright ten- and twenty-dollar pieces. This would have been the case had the same preparations been made

¹⁵⁸ Scholefield & Howay, *Hist. of B.C.*, pp. 51, 84.

¹⁵⁹ Letter, Col. Sec. to Gosset, Aug. 21, 1862.

¹⁶⁰ Letter, Col. Sec. to Brew, Aug. 21, 1862.

¹⁶¹ Letter, Gosset to Col. Sec., Aug. 26, 1862.

¹⁶² *Columbian*, Sept. 3, 1862.

¹⁶³ *Colonist*, Oct. 7, 1862.

in any other country. . . But our rulers have a way of doing business quite peculiar to themselves. They see nothing strange – nothing ridiculous – in importing a costly machine, providing a staff of officials drawing good round sums for their salary, and contenting themselves with showing what could be done if they felt disposed to do it. With the exception of striking off a few specimens of coin – which, by the way, compare very favorably with those of any other country – this costly toy seems to have hitherto served no other purpose than to tickle the vanity of those who are contented to take the shadow for the substance. . . . Coin is the most convenient form for the purpose of trade. No one can doubt, therefore, but that it would be a great advantage to have the produce of our mines converted into money. We have not the slightest doubt but that a great deal more money would be expended in the country if miners could readily, and without loss, convert their dust and nuggets into coin. . . . As things are now, a great many prefer to carry their dust to San Francisco and save the exchange. Of course, there are many who will urge that you could not get men to wait in Westminster to get their gold changed. There may or may not be some truth in this objection. . . . But why, we ask, are the people of this colony compelled to depend upon New Westminster or San Francisco for their coin? What is to prevent the establishment of a mint in this city?

“The absurdity of the arguments advanced by several members of the House of Assembly when debating this question last year, is becoming every day more apparent. That short-sighted one-idea policy is behind the age. No country ever yet rose to eminence whose rulers or statesmen were animated by such narrow-minded principles as at times have characterized the conduct of our Legislators. If they had done their duty, we would, no doubt, ere this have had in the city all those facilities for coining money which we are justly entitled to, and which we require quite as much as Westminster, if not more so. Although we are at present under a different form of government from that of British Columbians, yet our interests are the same. We must, from our situation, be the channel through which they approach the outer world. . . . We are not their rival, but their friend. We are the head and they are the body. . . . We must seek to extend the facilities for trade which nature gives us. We must have a mint, not only for the mines of Cariboo, but for those of the Columbia and Salmon Rivers. The yield of gold from both these sources will justify the step. We must not look to the present only; the future must claim our attention as well. We must coin for the Americans as well as for ourselves; by making our coin the same standard value as theirs, the principal obstacle may be removed, and our coin and their own be equally current.

“But in the meantime, the authorities in Westminster should do their share towards putting money into circulation. The gold of Cariboo will shortly come down in large quantities, and every facility must be afforded for converting it into coin. We feel confident that a most beneficial effect would result from that course of proceeding.”

At the same time the *Columbian* also pressed upon the Governor the necessity of immediately proceeding with the coinage.¹⁶⁴ It says:-

¹⁶⁴ *Columbian*, Oct. 8, 1862.

“We wonder how the Governor will explain in his despatches the fact that this institution, the necessity of which he urged in 1859, and which was ready for coining six months ago, is standing idle and rusting – has not coined a single piece, beyond a few specimens. What change has taken place since ’59, when, in writing upon the subject, His Excellency deplored the scarcity of coin, and the necessity for our raw gold finding its way to a foreign country for coinage? What change has taken place since the fall of ’61, when the necessity for a Mint was deemed so pressing that there was not time to procure a proper plant from England, but a temporary thing must be obtained from San Francisco? Has the evil which he deplored in ’59 ceased? . . . The evil continues the same as ever. Our gold still goes to San Francisco for mintage, while our staple circulating medium is the Sovereign, upon which there is a loss of from two to three per cent in all transactions out of the Colony. . . . Either the Governor was wrong in getting this machine, at a very considerable expense to the Colony, or he is culpably wrong in keeping it standing, rusting, while the evil it was brought to cure still exists. Some are naughty enough to say that it is because the Mint was brought to New Westminster; that had it been located in Victoria, it would have been in active operation all this time. . . . Now, however, that our successful miners begin to come down with large amounts of gold, with the confident expectation that they could get it converted into coin in this city, the agitation naturally revives. We have recently conversed with some of those, and they assure us that such expectation was general in the mines; and that much of the proceeds of this season’s operations would have found its way to our Mint, had it been in operation. Now, these men do not even get it assayed here. They say, and very naturally to, if we have to go to San Francisco to get it converted into coin, we may as well save a trifle by getting it assayed there also. Thus our Mint is a dead loss, and is actually operating as an obstacle in the way of the Assay Department. Shall we again urge the Governor to set the mint agoing? . . . Time and again we have urged upon His Excellency’s attention this and other matters which he must know to be of vital importance; but it seems like throwing chaff against the wind. And, meanwhile, the interests of the Colony are being cruelly sacrificed, and her progress criminally impeded. And to such an alarming extent have matters gone in this direction, that we are unwillingly forced to one of two conclusions: Governor Douglas is disqualified to govern this Colony either by private interests, or lack of ability; *which*, concerns us but little, seeing we are the victim of either.”

In November the *Columbian* attempted to persuade the Governor to go ahead.¹⁶⁵

“Whenever a day of reckoning comes, Governor Douglas will certainly have to account for the extraordinary course he has thought proper to pursue in regard to the Mint. . . . The mining as well as the trading population received every assurance last spring that money would be coined here early last summer. And the best evidence of the fact that the miners would have availed themselves of such an arrangement to a very great extent is the general feeling, and expressions of surprise and disappointment on arriving here to find that the Mint is not in operation. . . . The want

¹⁶⁵ *Columbian*, Nov. 22, 1862.

of coin as a circulating medium is now pressing upon every inhabitant. The sovereign is now almost the only coin we have, the value of which is \$5 in this Colony, while only \$4.85 out of it, thus entailing a loss of three per cent. upon all commercial transactions. When the miner arrives with his gold, instead of getting it converted into coin here as he anticipated, he is offered a low price by private buyers, payable in coin, upon which he must lose three per cent. And, as a natural consequence, he borrows a few dollars from a friend, or perhaps disposes of an ounce of his gold simply in order to raise enough to carry him out of the place, and hurries on to California, or it may be [he] sells at Victoria. Now, all this may seem right enough from a Victoria or San Francisco standpoint; but such a state of things can hardly be satisfactory, or conducive to the interests of this Colony. . . . Of course, it is too late in the season now to remedy the evil by starting the Mint – a cure we would hardly expect from the present executive.”

The effusions of the press, backed as they were by solid facts, had their effect on the Governor. He asked for a report from Mr. Brew as to the possibility of going on with the work of coining gold. Brew called on Claudet for a report, who, on October 29, 1862, replied¹⁶⁶ as follows:-

“I have the honor to append the following replies to your queries respecting the Mint:-

“1. The Mint machinery is not at present fit to be put to work.

“2. As far as I am able to judge without having seen the machinery worked, the alterations required are as follows: The better adjustment of the connecting bands and the alterations of the rolling mill wedges or the obtaining of thinner ones.

“The additions required are the completion of the Mint and Assay Office Buildings which still remain in an unfinished state.

“Extra dies will be required, there being at present only one set for each coin, and as they are always liable to break, it would not be prudent to commence working without a stock on hand; a fresh supply of chemicals used for toughening, that brought for the purpose having been nearly all consumed in the ordinary business of the Assay Office, and the erection of quenching troughs and various other fitments. The exact expense of these alterations and additions I am not prepared to estimate.

“3. The present staff of Assay Officers, however willing, could not possibly undertake the working of the Mint, their time being at the present season entirely taken up with the Assaying and Melting alone, and also their not being sufficiently acquainted with the practical details of coining.

“4. The Assistants required would be at least three – viz., a coiner, a man practically acquainted with the machinery and manipulations of coining, an Engineer to keep all the machinery in good order and repair the same if necessary and to work the engine, and an operative Melter who would also have to assist the Coiner.

“5. If the necessary assistants were on the spot and the machinery in working order, it would no doubt be an advantage to the public were the coining in operation. By the time, however, that the assistants were obtained and the necessary alterations made, and the whole establishment organized on a proper footing, it would be too late

¹⁶⁶ Letter, Claudet to Brew, Oct. 29, 1862.

to be of use this season. If it is intended to work the Mint next season it would be desirable that the necessary men be obtained from England so as to be here in the Spring of the ensuing year; that the occasional services of an Engineer be secured to take care of and clean the machinery in the meantime, and the additional dies, etc., be got and everything prepared in due time.

“6. In San Francisco the coins will be regarded as bullion, and they will be melted and bought up at the same rates as bars of the same fineness. Merchants will, however, always prefer remitting bars to remitting coin, although if bars are scarce the British Columbian coin will be preferred to the American coin.

“7. The English and American coin may not be scarce, but the charges made by the banks for converting bars into coin are high, and the higher the greater amount of bullion there is in the market. The present charge here is 2½ per cent., and it will probably be higher. It cannot be much under 2 per cent. at any time, as it costs 1 per cent. to send bullion to San Francisco and 1 per cent. to get coin back in exchange.

“8. It would not take very long to put the machinery in working order, but the extra dies would have to be obtained from San Francisco, which would take some weeks, and if necessary assistants were obtained from England they could not be here [in] under six months. I proposed when in San Francisco employing a man acquainted with the machinery and coining, who could have put up the machinery and, with the assistance of an engineer, worked it no doubt satisfactorily for this season, but objections were raised on account of his being an American, and it being impossible to find a qualified person here, the only means of obtaining the required assistants is to send to England.

“9. It would of course depend upon the amount of Gold coined whether 1 per cent. would pay the current expense of the Mint. At present it certainly would not, but a greater charge could not well be made, otherwise it would do away with the chief object of the Establishment, which is to afford the public an opportunity of obtaining coin at a cheaper rate than by selling their bars to a bank.

“N.B. – The foregoing remarks are based upon the suppositions that a bullion fund of not less than £5,000 to start with be granted.”

This was forwarded¹⁶⁷ to the Governor by Mr. Brew.

“I have the honor to submit for the information of His Excellency the Governor a report received from Mr. Claudet, Chief Assayer, on the question of the Mint. The report is in reply to queries put by me on every point on which I conceived His Excellency would desire information. I have therefore little to say in addition.

“It appears there is sufficient coin in the country for the purchase of gold, but it costs more than the British Columbia coin would. I fear though that a good deal of the difference would be at the expense of the Government. According to Mr. Claudet’s probable estimate the expense of the mint would be an engineer at £350 salary, a coiner at £400 salary, an assistant at £250 salary, and fuel and chemicals £500 a year; total £1,500 a year to cover which at one per cent. over £60,000 a month should be coined, an amount which I believe could not be circulated in these Colonies in addition to other coin, and which would not be coined to be sent out of them.”

¹⁶⁷ Letter, Brew to Col. Sec., Oct. 31, 1862.

In consequence of the representations contained in this report, the Governor directed that no further steps were to be taken for the present in respect to the coining operations at the Assay Office.¹⁶⁸

In the year 1863 various articles appeared in the press of the two Colonies in reference to the Mint – Victoria, as usual, striving for a Mint in that city; New Westminster, in a helpless way, striking futilely at the Governor’s failure to act, and denouncing Victoria’s attempt to bear away the British Columbia capital’s highly valued but useless possession.

In March, 1863,¹⁶⁹ the *Colonist* demanded a Mint for Victoria. It sneered at “our so-called Mint at New Westminster,” which “performs no office that could not be done equally as well by the Assayers of this city.” In any case New Westminster was “not likely for a long time to come to present any sufficient inducement to miners to cause them to make it their winter residence.” So there should be a branch mint in Victoria.

Later it returned to the charge.¹⁷⁰ The old ground was retraveled. The advantages of a Mint were retold. A Mint at New Westminster was no benefit; it was “seventy miles from where it ought to be to prove a public convenience” (70 miles being, in round numbers, the distance between New Westminster and Victoria). A Mint should be located at the latter place “and to that end every energy ought to be directed.”

In April the *Colonist* approvingly referred to a leader in the London *Times* of January 28, 1863, which spoke of the erection of a Mint at New Westminster instead of at Victoria, as being an illustration of the *strange error* made in dividing what should have been one Colony into two.¹⁷¹ Again, in the same month¹⁷² it went over the reasons why the Mint should have been and should be in the Island capital:-

“The propriety of establishing a mint in this city, to meet the downward stream of gold that must henceforward have its embouchure at this point, must strike the plainest understanding.”

In May¹⁷³ the *Columbian* could no longer contain itself, and replied:-

“Our Island contemporary has been laboring during the last two years to convince his readers that Victoria is the proper place for *the* mint. Had he simply advocated the propriety, or possibly the necessity, of having *a* mint there, without going beyond his legitimate province by claiming that *the* mint should be there, and that we should have no mint at all [in New Westminster,] we would not have considered it worth our while to notice his periodical effusions further than giving expression to our doubt as to the ability of so small and poor a colony as Vancouver Island to support such an expensive institution.

¹⁶⁸ Letter, Col. Sec. to Brew, Dec. 17, 1862.

¹⁶⁹ *Colonist*, March 10, 1863.

¹⁷⁰ *Colonist*, March 21, 1863.

¹⁷¹ *Colonist*, April 4, 1863.

¹⁷² *Colonist*, April 22, 1863.

¹⁷³ *Columbian*, May 2, 1863.

“Assuming that the thing could be put in operation for £20,000 and worked for £800 a year, here would be a sum equal to within a fraction of the entire revenue of the Colony. It would be infinitely cheaper for the people of Victoria to get their coin from San Francisco, and better still to have the gold coined here free of expense to them. . . . The fact is, the people of Victoria are poor and greedy. They don’t want to see anything here. They want everything belonging properly to this Colony crowded into Victoria. But, unfortunately for the gratification of this greed, they are not able to pay for a mint. . . . In truth they ought to be very thankful to have a mint here which would supply their wants without additional burden, and would answer every purpose without costing them anything. . . . The people of Victoria have an undoubted right to have a mint of their own, or a dozen of them if they will, and we have no right whatever to object, nor do we object to that. But we do most decidedly deny their right to have *our* mint, to claim that the mint for both Colonies should be at Victoria, that there should not be a mint in New Westminster. Whenever they get upon this ground they expose themselves to the charge of ignorance and impudence, intermeddling with affairs with which they have no more to do than they have with the affairs of Canada or Australia.

“Is it really necessary for us to inform the Editor of the *Colonist* that British Columbia is a distinct colony, and that anything in the shape of dictation as to where our mint should be, or concerning any other matter connected with the internal arrangements of our affairs, coming from another colony must not only appear impertinent to the outside world, but is most offensive to the people of this colony?”

Evidently the people of New Westminster were still fearful of the Mint being taken to Victoria.

The *Colonist* took no notice of its Mainland contemporary. In June, 1863, the *Columbian* went after the Governor again.¹⁷⁴ The old arguments were rehearsed at length. Only one paragraph need be quoted:-

“If we had not a Mint and the petition were taken that we could not afford to get one, we could understand the matter. But when it is considered that we have one all ready to go to work, at a cost to the colony of not less than \$15,000, and, moreover, that we have the force to work it too, the policy, if such it can be called, of allowing the establishment to lie and rust, while the commerce of the country is suffering for want of coin, is entirely beyond our comprehension. . . . We, of course, have our own solution to the seeming mystery; and it is that the Governor desired to have the Mint in Victoria, and that having been circumvented by Capt. Gosset, he determined that we should not derive any benefit therefrom.”

In August the *Colonist*, noting the large quantities of gold coming from the interior of British Columbia, discussed the question as to how this could be made available in the interest of the Colonies.¹⁷⁵ It took the stand that the proper way to do this was to have it converted into coin.

“All this has now to be done out of the country. The mint at New Westminster, though having gone to the trouble of having dies provided, has as yet produced

¹⁷⁴ *Columbian*, June 27, 1863.

¹⁷⁵ *Colonist*, Aug. 14, 1863. [Incorrectly cited as August 24 in the original.]

nothing. It is now nothing more than an assaying office. It neither benefits this nor the neighboring colony so far as minting is concerned. It is inconveniently situated, even if it were in full operation. Most of the miners, in coming to the lower country, make Victoria their place of destination. . . . Here all the accommodation necessary to convert it into money should be afforded, and the expense of shipping coin and dust saved. In short, we want a branch mint. . . . In a very short time a large quantity of the Cariboo and Peace River gold will find its way here by the coast routes. It would be exceedingly inconvenient, then, if there was no choice left for converting it into coin but New Westminster and San Francisco. If there were a mint here, there would be a probability, too, of our receiving considerable quantities of gold for assay and coinage from the neighboring territory (Washington Territory). Altogether, the arguments are in favor of a mint being established here. It should have been done long ago instead of locating in an out of the way place like New Westminster, but since we were not favored with that institution, let us have one of our own.”

The discussion of the Mint question came to an end in December, 1863, when the *Colonist* reviewed it at length.¹⁷⁶ It referred to the expiry of the term of engagement of two gentlemen who had theretofore been employed in the Assay Office at New Westminster and suggested that at least an Assay Office should be established in Victoria. If this proved successful, it could later be developed into a Mint. It was hoped that the House of Assembly would take the matter up and make the necessary provision in the forthcoming estimates.

Nothing, however, was done. No official action of any kind was taken. The Bank of British North America (lately merged [with] the Bank of Montreal) opened a branch at Victoria in 1859.¹⁷⁷ Wells, Fargo & Co. and McDonald & Co. carried on a private banking business (the latter failed in December, 1865). The Bank of British Columbia (since amalgamated with the Canadian Bank of Commerce) commenced business in 1862. The Province issued Treasury notes. The pressing necessity for a local coinage gradually died away and the agitation faded from the public mind. The last official reference to the Mint was in the Legislative Council of British Columbia on 23rd April, 1865, when Hon. Joshua A. R. Homer, who had moved for a Committee of the Whole on the question, asked to have the discussion on the subject deferred for a week, as he had just received important returns, only that day placed on the table, and he was not quite prepared to go.¹⁷⁸ Evidently these returns satisfied him that there was no use in proceeding, for on May 4 he asked leave to withdraw his request for a committee, and this leave was granted.¹⁷⁹

The last reference to it in the press was in the *Columbian* of August that year.¹⁸⁰ A reference is made to the Governor's idea of obtaining coining apparatus in 1862, and his unusual haste in dispatching an official to procure it.

¹⁷⁶ *Colonist*, Dec. 5, 1863.

¹⁷⁷ Scholefield & Howay, *Hist. of B.C.*, Vol. II, pp. 153,154.

¹⁷⁸ *Columbian*, April 23, 1864.

¹⁷⁹ *Columbian*, May 4, 1864.

¹⁸⁰ *Columbian*, Aug. 17, 1864.

“The machine arrived in due course, but with an inexplicable perversity the mandate was issued to “grease it and lay it away.” This command our eccentric and energetic little Treasurer managed to circumvent, and the result was that the machine was set up, put in motion and a few specimen ten- and twenty-dollar pieces struck off, and very handsome coins they were. But here the matter dropped, and up to the present nothing has been done in the direction of coining, the building being locked up and the costly machinery permitted to lie and rust. Various explanations of the Governor’s conduct in acting so erratic a part in connection with the matter were given, the prevailing opinion being that he was acting under Victoria’s influence in peremptorily ordering the suspension of the movement. And this opinion appeared the more feasible in view of the fact that the people of that town made a desperate effort to have it established there instead of here. At the time His Excellency’s intention of procuring such a machine from San Francisco became known we opposed it upon the ground that it would only prove a waste of money, strongly advocating the taking of a little more time so as to procure a thorough minting plant from England. But, although disapproving of the Governor’s course in getting such a thing, once it was obtained, we of course strongly advocated the working of it. This, however, was never attempted, and . . . the machinery is locked up and rusting, at an expense to the Colony of about \$14,000 – \$11,000 for the plant and \$3,000 for the buildings and labor of setting up and putting in order the machinery. And, what is worse than all, we understand the whole thing is absolutely valueless, as, from the incompleteness of the plant – having no refinery by which to separate other metals from the gold – coin struck by it would not pass current, and would in reality be little better than gold in the bar. Thus it would appear that by this one piece of mismanagement the colony must lose \$14,000.”

Gosset never returned to British Columbia. His formal resignation reached the Colony in October, 1863.

In 1866 the two Colonies of Vancouver Island and British Columbia were united under the name of the latter colony. In 1871 the United Colony became part of the Dominion of Canada. In August of that year Hon. H. L. Langevin, afterwards Sir Hector Langevin, Minister of Public Works in the Dominion Cabinet, made a visit to the province to see the new province of the Dominion and to judge for himself of its resources and the railway prospects.¹⁸¹ In 1872 he made a lengthy report to the Governor-General. In it he refers to the Mint and Assay Office.¹⁸² He places the cost at \$8,609. He saw two \$10 pieces and two \$20 pieces. He says:-

“The machinery or apparatus is, however, carefully preserved. It appeared to me to be in very good order. It is under the care of Mr. Claudet, who has charge of the Gold Assaying Office at New Westminster, of which there is a branch at Barkerville, in the District of Cariboo.”

In an appendix¹⁸³ he says:-

¹⁸¹ Begg’s Hist. of B.C., p. 405.

¹⁸² Langevin’s report, p. 35.

¹⁸³ Langevin’s report, p. 246.

“The cost of cleaning it and replacing it into working condition would be about \$300. It is in good order. The whole of the apparatus is worked by steam-power, with the exception of the coining-press, which is turned by hand. If the Mint were to be again used, it would be advisable to connect this machine with the other apparatus, and work it by steam-power also, which could be done at a moderate cost. The machinery is a facsimile of that used by the South American Government Mints.”

It was never again used. In 1876 the boiler and engine were sold to a Mr. Mann, the contractor for the construction of the Penitentiary at New Westminster. The remainder of the machinery was stored in the attic of the old gaol in that city. After the gaol was built, the copper boiler was kept on the stove of the reception-room full of water, and the steam arising therefrom did much to sweeten the air. The steel pestle came into and is now in the possession of E. A. Jenns, Esq., for many years a practicing barrister of New Westminster, now a resident of Vancouver. The building was for many years used as a Mechanics' Library. It stood on Columbia Street on the lot now covered by the eastern half of the Post Office Building. Where the rest has gone, no one knows.

Except the dies and matrices. The writer for years made inquiries as to the whereabouts of those. Many off-hand statements were made, all of which were found, on investigation, to be incorrect. A well-known numismatist of Montreal assured him that they were in the hands of the Heatons, “The Mint, Limited,” Birmingham, England. Another was sure that they were in the Museum at New Westminster. It appeared to be an unsolvable problem until, being one day in the Parliament buildings in Victoria, an inquiry was made of Mr. J. McB. Smith, for so many years Deputy Finance Minister of the province. He at once stated that they were there in the Treasury and produced them for inspection. The matrices were found to be as they came from the hands of the die-cutter; the obverse die of each coin had been mutilated as if someone had taken a hammer and broken off the edge around the engraved part. When asked how they came to be there then, as inquiries had been made before, and no officials had had any knowledge of their whereabouts, Mr. Smith said that but a short time previous the dies and matrices had been sent by the British Consul at San Francisco to the Government at Victoria, with a covering letter to the effect that a tin box had been found, marked “Government of British Columbia.” On opening it there was found enclosed the dies and matrices of the British Columbia gold coins of 1862, and he therefore forwarded them to the Treasury. Later they were placed in the Archives Department, where they may now be seen on application to Mr. John Forsyth, Librarian and Archivist.¹⁸⁴

No data have been discovered which explains either the mutilation of the dies or the reason why they came to be in San Francisco.

So the matter ended. The ambition of the Treasurer to issue a gold coinage for his Province came to nothing. As a matter of sentiment, one feels that after all the trouble which was taken and all the expense which had been incurred, it was a pity

¹⁸⁴ As the mutilated dies above manufactured have not had the year “1862” engraved thereon, they are not the dies from which the existing coins were struck, and consequently another set of dies must have been in existence and still unaccounted for. [Note in the original.]

that the Mint had not been in operation for a time at least, leaving a coinage which would have been an everlasting memento of British Columbia's golden days, for a coin exists long after other memorials have passed away. As an economic experiment, one is convinced that it would have been a failure. The gold-bearing territory turned out to be of much less extent than it appeared to the people who were here in 1862. Other financial agencies supplied the means of carrying on business, and to have relied on the very meager plant which Claudet brought from San Francisco for a provincial coinage would only have involved the Colony in an expense not commensurate with the returns.

THE COINS



Twenty-dollar gold piece, made in British Columbia in 1862.
One of the original coins is in the Provincial Archives of British Columbia.

The coins are simple in design and yet artistic. They are a credit to Gosset, who designed them, and also to the engraver. Their description is as follows:-

“1. Obverse, a crown. Legend, ‘Government of British Columbia.’ A rose in exergue beneath the crown, dividing the legend. Reverse, ‘20/Dollars/1862’ in three lines within two wreaths of oak leaves and acorns, joined with ribbon. Beneath the ribbon, the words ‘Küner fecit.’

“2. Similar in design, but smaller in size, ‘10’ replacing ‘20.’”

They are of the same diameter and value as the coins of the United States, but were of unrefined gold of the fineness of 850. The \$20 piece weighed 546 1/3 grains and contained about 20 cents' worth of silver.¹⁸⁵

It is needless to say that these coins are extremely rare and command large prices when obtainable. At the famous Murdoch sale in London in 1903 the \$20 piece brought £116. In 1911, at Sotheby's in London, Gosset's \$20 piece brought £151. The \$10 piece should bring as much or more, for it is rarer than the \$20. We have no record to show how many of these coins were struck. Any statement that may have existed in the government files or elsewhere has been lost. Major Ernest A. G. Gosset, of Chiswick, England, son of Captain Gosset, writing to a collector in London in 1912, said that his father had told him that only twenty were minted, and this is probably correct as to those struck from government gold, but may not include a few struck from gold supplied by local residents. In a letter written to an officer of the Canadian Bank of Commerce in 1906 by the Deputy Minister of Finance at that time, the late Mr. J. McB. Smith, it is stated that an old record of them had existed in a book kept

¹⁸⁵ Scholefield & Howay, Hist. B.C., Vol. II., p. 142.

at the Treasury and containing the details of cash balances.¹⁸⁶ The item was entered as “unissued gold coin,” and according to the writer’s recollection this balance was \$140, which he took to represent four \$20 coins and six \$10 pieces. This book had been lost and could not be found, the supposition being that it had been destroyed at the time the department moved into the new Parliament Buildings. This, of course, would be exclusive of those exhibited at the International Exhibition at London in 1862, mentioned [above]. Those that were in the Treasury were allowed to be purchased by the officials from time to time. So far as can be ascertained at the present time, the only ones known are owned as follows:-

The British Museum	\$20	\$10
Collection of the late Colonel H. Leslie Ellis	\$20	\$10
Provincial Archives, Victoria, B.C.	\$20	
Canadian Bank of Commerce, Toronto, Ont.	\$20	
I. Norris, Esq., Vernon, B.C.	\$20	
A collector in Europe	\$20	\$10
Owned in London, England	\$20	
Mrs. Martha Smythe, Somenos, B.C.		\$10
Mrs. John Robson, Victoria, B.C.		\$10
Mr. Waldo Newcomer, Baltimore, Maryland	\$20	\$10
Mr. Virgil M. Brand, Chicago, Ill.	\$20	\$10

Mr. Justice Drake, of Victoria, B.C., had a \$10 piece which he wore as a pendant on his watch-chain until his death. Afterwards his son, Brian H. T. Drake, wore it until he had the misfortune to lose it some years ago.

The two coins in the British Museum were presented to that institution in 1864 by Governor Frederick Seymour, successor to Governor Douglas. The specimens in the collection of the late Colonel H. Leslie Ellis were those sold in the Murdoch sale in 1903. The \$10 is probably that which belonged to Garesche, Green & Co., formerly private bankers in Victoria, as they sold one to Messrs. Spink & Son, from whom the late Mr. Murdoch purchased his \$10. The \$20 belonging to the Canadian Bank of Commerce was purchased from Mr. C. G. Major, of New Westminster, B.C., who was living in that city in 1862 and well remembers the occurrences herein related. The intrinsic value, assuming it to be of fine gold, being £4 16s. 10d., or about \$24. Mr. Norris’s coin originally belonged to Hon. Geo. B. Martin, who, elected to the Legislative Assembly in 1882, became Chief Commissioner of Lands and Works in 1894. From him it passed to Mr. James Tunstall, of Vernon, B.C., who sold it to the present owner. The \$20 piece owned by the continental collector was sold to him by Mr. A. H. Baldwin, numismatist, of Duncannon Street, London, England. This was the coin which had belonged to Colonel Gosset and was sold at Sotheby’s in 1911. The name of the owner of the remaining \$20 has not been made public, but its existence was vouched for by Mr. Baldwin to Mr. Victor Ross, the author of the “History of the Canadian Bank of Commerce,” above cited, in 1920. The \$10 owned by Mrs. John

¹⁸⁶ Ross, *Hist. of Can. Bk. Of C.*, Vol. I., p. 461.

Robson was the property of her late husband, Hon. John Robson, Premier of British Columbia, 1889 to 1892, and in 1862 the editor and publisher of the *British Columbian* newspaper at New Westminster, from whose columns we have freely quoted. Mrs. Smythe is the widow of the late Wm. Smythe, Premier of the Province, 1883 to 1887.

Besides the gold pieces there were a number of silver trial pieces struck from the dies. Those sent up with the dies from San Francisco were taken possession of by Douglas, much to Gosset's disgust, and forwarded to the Secretary of State for the Colonies in 1862.

Another set is in the possession of Fred G. Claudet, Esq., of North West Bay, Nanoose, Vancouver Island, son of Mr. F. G. Claudet, the assayer of the British Columbia Mint in 1862. A third set was held for sale in 1920 by Messrs. Spink & Son, of London. The \$10 of this set came to Spink & Son from Paris, where it had been in a private collection for nearly fifty years. The \$20 is reported to have come from the possession of Captain Gosset originally. It next turned up in the hands of a Miss Milliard, a collector of curios at Teddington (near Chiswick), by whom it was sold to Lieutenant-Colonel Simonet. From him it passed to Spink & Son. A \$10 belongs to Mr. A. H. Baldwin himself, bought by him from a daughter of the Engraver, Küner, of San Francisco. Mr. W. W. C. Wilson, of Montreal, has another, and Mr. Virgil M. Brand, of Chicago, Ill., a prominent United States collector, has a set which has been gilded. A set which until lately was in the hands of his daughter, Miss Küner, in San Francisco, was transferred by her in 1924 to Max Mehl, the well-known numismatist of Fort Worth, Texas. These are all the silver proofs, the existence of which has been ascertainable up to the present time.

Some years ago Mr. J. E. Miller, formerly of Vancouver, but now of Victoria, B.C., persuaded Mr. C. G. Major to allow his \$20 to be sent to the Museum at Ottawa for inspection. While there a number of bronze replicas were made, one of which is in Mr. Miller's possession.

THE OFFICIALS

Of course the outstanding figure during the days when these events took place was that of the Governor, Sir James Douglas. This is not alone due to his position as Governor of the one colony and Governor and Legislature of the other, but also to his picturesque and dominating personality, which would have made him conspicuous among the foremost in any circle in the world. It is not, however, necessary to give any sketch of his life and achievements here, as these have been so fully detailed in Gosnell and Coats' "Life of Sir James Douglas," published in the "Makers of Canada Series" by Morang & Co., Toronto, in 1909.¹⁸⁷ It is also reported that a further volume on the same subject is now in preparation by a prominent member of the staff of the University of British Columbia.

The other actors in the drama are not so well known, and a short sketch of their lives may be interesting.

¹⁸⁷ Modern readers may enjoy the excellent Adams, J. (2003). *Old Square Toes and His Lady: The Life of James and Amelia Douglas*. Canada: TouchWood Editions.

THE SUPERINTENDENT OF THE ASSAY OFFICE



Francis G. Claudet at the time of appointment
as head of the Assay Office.

Francis George Claudet, the Superintendent of the Assay Office, was of French descent, being the son of an eminent French scientist, Antoine Francois Claudet, F.R.S., Chevalier de la Legion d'Honneur, a native of Lyons, France, whose position among scholars is attested to him in the Encyclopedia Britannica in the following words:-

“Claudet, Antoine Francois Jean (1797 – 1867), French photographer, was born at Lyons on the 12th of August, 1797. Having acquired a share in L. J. M. Daguerre's invention, he was one of the first to practice daguerreotype portraiture in England, and he improved the sensitizing process by using chlorine in addition to iodine, thus gaining greater rapidity of action. In 1848 he produced the photograhometer, an instrument designed to measure the intensity of photogenic rays; and in 1849 he brought out the focimeter, for securing a perfect focus in photographic portraiture. He was elected a fellow of the Royal Society in 1853 and in 1858 he produced the stereomonoscope in reply to a challenge from Sir David Brewster. He died in

London on the 27th of December, 1867.”

Mr. Claudet, Sr., was the nephew of a prominent Parisian banker, and for a time in his youth was employed in his uncle's bank. Not finding this congenial, his tastes an inclination being towards science rather than commerce, he began the manufacture of glass at Choisi-Le-Roi, France, in 1821, but soon after removed to Birmingham, England, where he was associated with the firm of Chance Bros., who were manufacturers on a large scale of glass for scientific purposes, and especially for lenses of all kinds, telescopic, photographic, or otherwise. About 1840 he became a partner with Daguerre, the inventor of that form of photography known as the daguerreotype. This he introduced into England, where he adapted it to portraiture. Among his many inventions was the stereomonoscope, referred to above, an instrument with two lenses for exhibiting on a screen of ground glass a single picture so as to give it the effect of solidity.

Francis George Claudet, the head of the British Columbia Assay Office, was his youngest son and was born in London at Islington on the 14th day of February, 1837. He was educated at the University College, London, and in 1854 went to Caroline College, Brunswick, Germany, where he specialized in chemistry, physics, mine surveying, and other cognate subjects. His older brother, Frederic Claudet, had been for some time established in Cannon Street in London as a chemist and assayer and was widely and favorably known, numbering the Bank of England among his

clientele.¹⁸⁸ As soon as the younger brother had completed his education, he became his brother's assistant and was actively engaged as such for several years. When in 1859 it was decided to establish an Assay and Refining Office in British Columbia at once, with the possibility of a Mint in the future, he was selected by Mr. Thomas Graham, the Master of the Royal Mint at London, as the head of the new establishment. [...]

While Governors succeeded each other and various administrations held the reins of office, everyone in authority had at all times the fullest confidence in Mr. Claudet. Office after office was committed to his charge and the duties thereof carried out by him to the satisfaction of the Government and of the public. He was Chief Assayer, 1859 to 1866, and Superintendent of the Assay Office from 1866 until it was closed in 1873. In addition to this he was appointed Savings Bank Agent at New Westminster in July, 1869; Justice of the Peace in June, 1870; Assistant Commissioner of Lands and Works in April, 1871; Returning Officer of the elections for member of the Assembly for New Westminster City and District in September, 1871; Coroner in October, 1871; and Stipendiary Magistrate in January, 1872. He helped to organize the volunteer forces of the colony, becoming ensign in that force in September, 1870.

He took more than ordinary interest in his duties as Superintendent of the Assay Office and for the information of the public wrote and published a most complete and interesting book on "Gold, its Properties, Modes of Extraction, etc.," which was published at the office of the *Mainland Guardian* in New Westminster in 1871. In it he discusses the history and properties of gold, its geological position, how it is extracted from the rock in lode mining, and from the earth in placer diggings., hydraulic mining, vein mining, and how it is valued in the mints of the United States and England, ending with a most interesting tabulated statement on the value per ounce of gold-dust from the various localities in British Columbia.¹⁸⁹ [...]

He left New Westminster for England in March, 1873, followed by the regrets and good wishes of the little community in which he had lived so long. He was the recipient of a farewell address from the citizens of New Westminster, accompanied by a valuable gift of silver plate suitably inscribed.

After his return to England he continued in active life, holding the position of manager of a large chemical-works for twelve years, after which he again became associated with his brother Frederic, in the Assay Office (at this time situated on Coleman Street, London), until his death in 1906.

He was married at Victoria, B.C., on the 18th Sept., 1863, to Miss Fleury, daughter of Mons. Charles Fleury, Weymouth, England, to whom he had been engaged before leaving England. He left four children; two sons, Frederick G. Claudet, Esq., of Nanoose Bay, B.C., to whom the writer is greatly indebted for information herein contained, especially the extracts from his father's note-book and

¹⁸⁸ B.C. Papers, No. 3, p. 103.

¹⁸⁹ Reid reproduced this table immediately following this paragraph. As Claudet's short book is included in its entirety as an appendix, I've omitted it from this transcription.

for photographs, etc., and H. H. Claudet, Esq., of Ottawa, and two daughters, Alice and Ethel, residing in Europe.

THE TREASURER

Capt. William Driscoll Gosset, sometimes improperly written "Gossett," the "nervous and mercurial little Treasurer," as Judge Howay describes him,¹⁹⁰ belonged to a military family and had a long career in public service prior to his coming to British Columbia and afterwards. He was descended from a Huguenot family which left France at the time of the revocation of the Edict of Nantes in 1685 A.D., and settled in Jersey, one of the Channel Islands, then, as now, a part of the British Empire. Some of the family remained in Jersey, and some settled in England. Capt. Gosset's father was John Noah Gosset, who saw active service in the Peninsular War and in America, retiring from the army as Major of the Rifle Brigade. His mother was Maria Driscoll, a native of Dublin, Ireland. His early education was private, until he entered the Royal Military Academy of Woolwich, and, on the completion of his



Captain William D. Gosset, Treasurer and Postmaster of the Colony of British Columbia.

studies in that institution, he joined the Royal Engineers, becoming second lieutenant on the 20th of June, 1840, first lieutenant, 27th May, 1843, and captain, 11th November, 1890. He was appointed to the Ordnance Survey of England, and became executive officer with headquarters at Southampton. He was specially selected for the conduct of an important series of scientific and astronomical studies and triangulation, which had for their object the accurate fixing of the latitude and longitude of Valentia, Ireland; and for this, and for his book on the survey, including the application of photozincography to map reproduction, he was elected Fellow of the Royal Society of Edinburgh. While on this survey he married Helen Dorothea Gosset, daughter of the Rev. Isaac Gosset, chaplain to four sovereigns, who belonged to the English branch of the family. He left one son, Major E. A. G. Gosset, of Bedford Park, Chiswick, England.

¹⁹⁰ Howay & Scholefield, Hist. of B.C., Vol. II., p. 142.

In September, 1855, he was appointed Surveyor-General of Ceylon and in 1858 Colonial Treasurer and Postmaster of the Colony of British Columbia.¹⁹¹ He left England in December, 1858, for his new field of labor.

At first he took up his residence at Victoria, V.I., with the other British Columbia officials, and for some time discharged his official duties from that city. In August, 1859, he was appointed by the Governor as Treasurer for Vancouver's Island, but without any additional salary or any contribution to his salary as Treasurer for the sister colony.¹⁹² Gosset accepted the appointment as desired, but in accepting it expressed a hope that His Excellency would be pleased to award some temporary salary to the office pending permanent arrangements. Apparently his hopes were not realized.

While carrying out the duties of his dual position he became so interested in the local affairs of the island colony in which he lived that he offered himself to the constituency of Saanich as a candidate for the local Legislature. He went so far as to publish his address to the electorate on January 5, 1860. Apparently his political ambitions were not approved by the Governor, for he withdrew his candidature, and his opponent, John Coles, was returned without opposition.

The good people of the mainland colony were not at all pleased at having their Governor residing in the rival colony, but as he was Governor of that colony also they were in no position to complain. But having all their other officials who had no necessary connection with Vancouver Island residing there also, was entirely too much for their patience and could not be passed over in silence, and a public meeting in New Westminster vigorously protested against it.¹⁹³ The Home authorities did not need this expression of the feeling of the British Columbia people to induce them to act, and on the 5th September, 1859, Douglas was notified¹⁹⁴ that the officials of British Columbia:-

“Must repair with the least practicable delay to the scene of their duties, or, if they decline to do so, must at once resign their situations.”

The direction came to Douglas in January, 1860, and he agreed with the Home authorities “as a general principle,” but circumstances had compelled him, he said, to retain some of the principal officers of the Government of British Columbia at Victoria.¹⁹⁵ Mr. Begbie, the Judge, had been assisting him in framing laws; he constantly required the attendance of the Colonial Secretary and Attorney General; and as to the Colonial Treasurer, Captain Gosset:-

“It is probably more for the convenience of the service and for the benefit of the Colony of British Columbia, that he should at present, and probably for some little time to come, reside at Victoria.”

But that:-

¹⁹¹ *Colonist*, July 20, 1859. The full entry, on p. 3, reads: “TREASURER – It may not be generally known that Capt. W. D. Gosset, R. E., is Treasurer, and Postmaster General of Vancouver's Island, as well as British Columbia.”

¹⁹² Letter, Col. Sec. to Gosset, Aug. 25, 1859.

¹⁹³ *Colonist*, March 10, 1860.

¹⁹⁴ B.C. Papers, III., p. 101.

¹⁹⁵ B.C. Papers, III., p. 95.

“So soon as I am satisfied that his stay here is detrimental to the public service, I will instantly require him to proceed to British Columbia.”

The peremptory demand of the Home authorities had little effect on the Governor. The British Columbia officials continued to reside at the Island Capital. In July, 1860, he relieved Gosset of his duties as Treasurer of Vancouver Island, appointing in his stead Mr. George P. Gordon, member in the local Legislature for the constituency of Esquimalt.¹⁹⁶ Even then he did not send Gosset to New Westminster, but the latter on the 31st of July,¹⁹⁷ with the clerks belonging to his office, left without bidding good-bye or intimating his intended removal to the Governor and crossed the Gulf of Georgia to New Westminster, in consequence of which he received a severe rebuke from that gentleman.¹⁹⁸

Of his life in New Westminster and his constant bickering with the Governor, we have related practically everything germane on the subject. He only held the office of Postmaster of British Columbia until August, 1860, when that part of his duties was taken over by Warren Reeve Spalding, and Gosset carried on the duties of Colonial Treasurer only.

On his return to England he was promoted to the rank of Major (November 9, 1862) and in 1863 he resigned his position as Treasurer of British Columbia. Thereafter he rose steadily in the service, becoming in succession Lieut.-Colonel (August 3, 1863), Brevet-Colonel (August 3, 1868), Colonel (August 3, 1872) and Major-General¹⁹⁹ (September 24, 1873). In 1872 he was the officer commanding the Royal Engineers, Woolwich District, and in 1873 he retired on full pay.

It was unfortunate for the harmony of the official family that two men of the character and training of Douglas and Gosset should have been placed in the positions they occupied. Douglas, by his natural bent of mind, his early life, and his years of absolute power as Chief Factor of the Hudson's Bay Company on the Pacific, was an autocrat. Gosset had himself been used to the exercise of authority during his years in the public service in the Royal Engineers. The brusque reprimands which he received from the haughty Governor must have been agony to him. No wonder that he never returned to the colony which he had served faithfully and well, and whose interests he had never failed to forward so far as he was able. The people of New Westminster, among whom he dwelt, appreciated his worth and his services in proportion as they disliked his superior, the Vancouver Island Governor, whom they blamed for keeping their own officials in the rival capital and who, as they thought, was doing all he could to press forward the interest of the Island at their expense.

Sir James Douglas left among his private papers some memoranda on the various officials in the public service during his term of office. Through the kindness

¹⁹⁶ *Colonist*, July 21, 1860. The full entry on p. 2 reads: “APPOINTMENT – Gov. Douglas has appointed Mr. Gordon, M. P., Treasurer for Vancouver Island.”

¹⁹⁷ *Colonist*, Aug. 1, 1860. The full entry on p. 2 reads: “REMOVED – The Treasurer of British Columbia, with his corps of *attaches*, departed last evening, on the Wilson G. Hunt, for New Westminster. We learn that the newly-appointed Treasurer of Vancouver Island, Mr. Gordon, will enter upon the duties of his office to-day.”

¹⁹⁸ Letter, Col. Sec. to Gosset, Aug. 7, 1860.

¹⁹⁹ No doubt proving “the very model of a modern Major-General”.

of Mr. John Forsyth, Provincial Librarian and Archivist, and by permission of Mrs. Dennis R. Harris, of Victoria, B.C., a daughter of the Governor, a copy of that part referring to Gosset has been obtained. It is not published with any intention of asserting that the strictures made therein on Gosset are justified; on the contrary, his rapid rise in the Imperial Service, both before he came to British Columbia, and after he returned to England, would indicate the contrary; but to show the antagonism between the men which destroyed any chance of co-operation between them. Moreover, the discerning reader will have seen from the correspondence quoted in the foregoing pages, in a general way what the Governor's opinion of Gosset was, and the memorandum is but a restatement of that opinion in concise form. It is as follows:-

CONFIDENTIAL REPORT ON W. D. GOSSET

“Appointed by Secretary of State to be Treasurer for the Colony of B. Columbia Oct. 1858. Arrived in the Colony in Dec. 1858. Went home on sick leave in September 1862. Age about 40. Health and condition Feeble. My experience of Captain Gosset has not been happy. Except as a mere Treasury Clerk, he has been of no use to me. As a financial officer he was valueless. I have invariably found him defective in judgment. His temper is capricious, and I cannot recall a single instance of any useful suggestion made by him. I could never rely on his cordial co-operation in combined measures, and I am moreover persuaded that he encouraged disaffection, and wilfully misrepresented my government, through the public Press, both in this Country and abroad. In short, I believe him to be *politically faithless* and *unprincipled*.”

After reading this, one wonders what Gosset's characterization of Douglas would have been, had he seen fit to leave it to posterity!

THE ENGRAVER

The Engraver was George Ferdinand Albrecht Küner, better known as Albert Küner (he having dropped the first two names on his arrival in San Francisco), the first and most famous engraver of the Pacific Coast. For particulars of his life and activities we are indebted to the article by Edgar H. Adams in the “American Journal of Numismatics,” Vol. 46, pp. 18-21. He was born at Lindau, Bavaria, on October 9, 1819, where he learned the profession of a gold and silver smith and cameo-cutter. He came to the United States in 1848, intending to follow the occupation of cameo-cutting, in which he was skilled, but, being attracted by the gold discoveries in California, he followed the current thither, arriving in San Francisco on July 16, 1849.

He entered the employ of Moffat & Co. as a die-cutter and seal-engraver. This firm was then carrying on the business of smelting and assaying, and for them he cut the dies for the first \$10 piece of private manufacture on the Pacific Coast, those issued by Norris, Greig & Norris.

He commenced business for himself on Clay Street, San Francisco, as a die-cutter and engraver in October, 1849, and carried on the same in various locations in that city until 1891.

He kept a carefully prepared record of each specimen of his work – impression in wax, dies, etc. – nearly all of which, with his papers, were destroyed in the great

fire of 1906, when his house at the corner of Golden Gate Avenue and Gough Avenue was burned. There is, however, a record in his own handwriting of many of the coins for which he cut the dies, and this was published in a book issued by Eckfeldt & Dubois in 1851. From this we know that he cut the dies of the Norris, Grieg & Norris \$5 piece, 1849; the \$5 and \$10 pieces of Moffat & Co., 1849 and 1850; the Schultz & Co. \$5, 1851; the Dunbar & Co. \$5, 1851; and the \$50 octagonal, with the denomination reading "Fifty Dolls." And the name on the obverse around the border. The Wass, Molitor & Co. \$5 and \$10, 1852, and the \$20 and \$50, 1855; and the Deseret (Utah) \$5, 1860, were also from his hand. This last as originally cut showed mountains back of the reclining lion, and a pattern made from the original dies and worn by Brigham Young as a watch-charm until his death is now in the possession of the Mormon Church at Salt Lake City. In the piece as issued the mountains were omitted.

He also engraved the first Seal of State of California; all seals required by Wells, Fargo & Co., from 1852 until his death, as well as many medals, some of which were, that of the Santa Clara Valley Agricultural Society; the Mechanics' Institute of San Francisco, 1882; Pacific Coast Kennel Club; Sonoma County Agricultural Park Association (two varieties); Portland Mechanics' Fair; Southern District Agricultural Society; Calvary Presbyterian Sunday School; Palermo Butter Co., Cal.; Charles

Willis medal; Portland Industrial Exhibition; St. Joseph's Benevolent Society, San Francisco; Denman medal, 1888; Souvenir de Centennial de la Bastille, San Francisco, Cal., 1899; California State Agricultural Society; and the King Kalakua medal, commemorating his visit to San Francisco, November 16, 1886.

He painted in watercolors, and during his leisure hours executed many exquisite examples of the engraver's art, principally in mother-of-pearl, for the pleasure of his family only. These were of original conception and of the most delicate and artistic workmanship, and are still carefully preserved by his family.

He died at his home in San Francisco on January 23, 1906, aged 86 years, leaving his wife, Mrs. Judith Küner, three daughters, Mrs. Ida Herman, Mrs. Martha Gehricke, [and] Miss Anna Küner, and one son, Mr. Rudolph Küner.



Albert Küner, Engraver.

From the *Alta California* (San Francisco)

“Our Victoria correspondence”²⁰⁰ (September 24, 1861)

Victoria, September 16, 1861.

DULLNESS OF VICTORIA

The streets of Victoria are dull, deserted and dismal. This is a consequence of the mania for Cariboo; the entire surplus of the place has left for the mines; so great has been the exodus that hardly sufficient remain to do the ordinary labor of the country. In a few weeks the scene will change, and instead of appearing like a wasp-nest, it will resemble the busy scene of the ant-hill – for numbers of replenished miners will return to spend their winter. Although dull the place, [sic.] merchants are not desponding, knowing full well the result, and moreover one and all have received letters, conveying the intelligence of the extraordinary richness of Columbia, and, what is more, large remittances – there is nothing to excite timidity in this. Everyone looks forward to an immense immigration next spring – the value of real estate is increasing – and as we have the nearest, best and cheapest roads to the mines, no one doubts but that the larger portion of the immigrants will pass through Victoria, and the present dullness will be converted into unprecedented success; but the summer will always be a dull season here for obvious reasons – it is the mining season of our sister colony. The gold dust received at Victoria alone amounts to \$80,000 weekly, and is constantly increasing; this of course only representing a small portion of the produce of the mines.

TAXES

The taxes upon real estate (one per cent.) are now in the process of collection; the sum to be received from Victoria alone amounts to \$23,000. The assessment roll shows the City of Victoria to be held by about six hundred persons, of whom one-third are foreigners. The half of the \$23,000 will be paid by sixty persons, inclusive of the Hudson’s Bay Company, leaving about 450 persons to make up the balance, so that the tax will fall lightly upon the majority – the minority, either holding the most valuable or most extensive properties, may be considered able to pay.

It is not quite true that the 600 persons pay the taxes, because it may be considered to be paid either directly or indirectly by the renters. Free trade exists here – no customs duties; and this is a cause of immense difficulty in taxation, because it is found impossible to tax all persons. It is easy enough to tax real property, but to do the same with personal property is another matter altogether; for if a percentage were levied upon goods in store, there would be very little difference between that and levying duties upon their entrance into the colony.

The Government, therefore, were compelled either to tax property or incomes. It (unwisely?) chose the former, perhaps as being the easier, and, consequently, three-fourths of the population go untaxed. This is a consequence of free trade, and one very

²⁰⁰ From OUR VICTORIA CORRESPONDENCE. (1861, September 24). *Alta California*, p. 1.

difficult to overcome. Well, it is a mighty unpleasant thing to know exactly how much of taxes one pays, and still more unpleasant to have to pay in one sum; and the good folks seeing and feeling this, have been considering whether it would not be better, after all, to do away with free trade and resort to customs duties, gaining by this stroke protection to home productions, and a partial liberation from their taxes at the same time.

The imports into Victoria for the six months ending June 1st, were from San Francisco, \$646,734; Portland, \$102,628; England, \$209,897; Honolulu, \$18,327; Port Townsend, \$76,804; New Westminster, \$1,605 (lumber). Total, \$1,052,776. It must be recollected that about two-thirds of this is re-exported to British Columbia and the Sound.

The total revenue of Vancouver's Island amounts to \$100,000. Of this, \$70,000 are required for the support of Government officials, Law Courts, Judges, Police, Jail, etc., leaving only \$30,000 for general improvements.

The revenue of Vancouver Island, raised from sales of land, \$30,000; tax (one per cent.) on land, \$30,000; licenses to trade, \$25,000; and free from various sources make the sum up to \$100,000.

Now, if we take one-third of the total imports, and charge 10 per cent. duty thereon, only about \$75,000 could be collected; but how much of this would be swallowed up by Custom House officials? Where is the advantage?

British Columbia raises \$150,000 from Customs duties, but she has at least double our consumption. Free trade would be ruinous to her.

The fact is, if any duties of any moment were put upon goods, no goods would be deposited here, but, on the contrary, Victoria would dwindle into nothing; there would be no consumers, and an American town would take her place; because it has been shown above that by far the greater portion of imported goods are American, and the owners would rather store them in American territory than pay the duties at once here – particularly as the distance between this and [the United States of] America is so insignificant.

The only question about this is: Can Vancouver Island, with free trade, support its own government? It can, with its present light taxation, barely; but it must be recollected that we are in our infancy, and also a state of depression at present. Our official staff would do for a population four times the number. Therefore, the good times coming will yield a larger revenue, but the expense of officials will not be increased.

If Vancouver [Island] cannot support its own government, there is only one step remaining, namely: amalgamation with British Columbia. It is perfectly chimerical to talk of amalgamation and a free port at Victoria, as many suggest and would like; but none can devise the scheme. Amalgamation would not be profitable to British Columbia, and would do no present good to Vancouver Island, for, as I have already shown, the increased revenue of the two combined would only be \$75,000. How much of this would it take to guard our coasts, open on all sides, from smuggling? The day may, however, arrive when amalgamation may be beneficial. Bad times have led to the idea of customs duties, but the immense success of the mines at British

Columbia, together with the recent changes in the American tariff, will prevent the free trade policy from change. It is better, both for British Columbia and ourselves, to be separate, for amalgamation would neither increase the revenue nor diminish the expense of government upon the whole.

“An act of some importance”²⁰¹ (October 5, 1861)

Victoria, September 16, 1881.

FOREIGN LANDHOLDERS

An act of some importance to persons in your city [San Francisco] has recently been passed by the House of Assembly, and which, without doubt, will receive the sanction of the Governor. This act gives those foreigners, who may have purchased land *previous* to its passage, the right of holding and distributing the same in the same manner as British subjects. This is only looked upon as a matter of justice, and, as such, meets with the approval of all. There is also a second act, which gives the same rights and privileges to all persons who may acquire real estate hereafter, but as such an act is contrary to British law, and in contravention of the rights of the Crown, it will have to receive the assent of Her Majesty before becoming law. The former one, however, will be passed, it is said, without such assent, upon the plea of urgency, necessity and justice.

BANKRUPTCY ACT

A Bankruptcy Act has also at length been introduced into the Assembly, which obviates the necessity of imprisonment for debt, except in cases of absolute fraud. The act is voluminous, but as it has not yet made its appearance in public, I cannot know much about the contents.[...]

LIQUOR FOR INDIANS

The idea of allowing Indians to purchase as much grog as they please, has been rejected for the present; because the sale of liquor to them has been prohibited from time immemorial, and has notoriously failed in all countries, ergo, they will retain the law, knowing full well its uselessness; such is the aversion to change; but the repeal of the law prohibiting the sale will come before too long.

GOVERNOR IN BRITISH COLUMBIA

The Governor went off to British Columbia last week, and returned. He will be off again to-morrow. Every effort is to be made to get all the roads in good order for the immigration of next Spring. [...]

STEAM COMMUNICATION WITH SAN FRANCISCO

It is well known that hitherto the San Francisco steamers have habitually called at Portland en route to Victoria – the reason being that they had large freights to that place, and received large ones from there to this. From travelers who have been at Portland, it has been proven that the gratitude of Oregonians for this trade has been shown by defrauding our country to an unlimited extent, denying its

²⁰¹ From ANGLO-SAXON. (1861, October 5). OUR VICTORIA CORRESPONDENCE. *Alta California*, p. 1.

resources, and abusing its government, in order that those parties who intend visiting British Columbia might be induced to remain in Oregon, go to the Nez Perces country, or take the route for British Columbia by the Dalles – by which means hundreds have been ruined, according to their own newspaper accounts, and immigrated to British Columbia in some measure checked.

The House of Assembly have taken this matter up, and in order to protect immigrants in future, determined to grant a subsidy to a steamboat company to come direct from San Francisco twice a month; the service to commence in March next. The subsidy is ostensibly supplied to carry the mails, because it has been found that letters sent overland have either been destroyed, mislaid, or otherwise damaged by wet. But the true reason is, that parties wishing to reach British Columbia may no longer be subject to the chicanery of those who are – but ought not to be – our traducers.

There are many who think the subsidy a mistake, and argue that the mines of Cariboo and elsewhere offer more than sufficient attractions to induce a very large influx of miners; so large, indeed, as to offer sufficient gains for steamers to come direct, without any subsidy at all. At all events, direct communication will throw a great deal of the hitherto Oregon trade into San Francisco; and, therefore, you have little cause to lament the change. I presume some American company will accept the bargain, which thus far will probably be the best for all concerned.

“The mines of British Columbia”²⁰² (October 11, 1861)

Our Victoria correspondent, “Anglo-Saxon,” sends us the following general review of the mines of British Columbia:

In a book entitled “Mining in the Pacific States of North America,” by J. S. Hittell, the following notice of the Fraser River mines appears:

“In 1858, came the Fraser River fever. In March of that year, news came of the discovery of rich gold diggings on the banks of the Fraser River, in British Columbia, and the reports gradually became more and more favorable until midsummer, when the belief was general among Californians that the valley of the Fraser was as rich in gold as the valley of the Sacramento in 1859. In the course of four months 18,000 persons left the State for British Columbia. Very unfavorable news arrived in San Francisco on the 10th of July, and suddenly put an end to the fever. * * The emigrants began to return, and before the end of October most of them had got back to their old homes, poorer and wiser than they started. Only about 3,000 miners spent the winter in British Columbia.”

The author goes on to observe, in another part:

“Many persons believe, and have said that all the persons who went to British Columbia during the excitement, exhibited great folly; but I never thought so. The bars on Fraser River were extremely rich, and they justified the belief that a large extent of country about the river was rich in gold. * * The gold on Fraser River is very

²⁰² From The Mines of British Columbia. (1861, October 11). *Alta California*, p. 1.

fine; it must have been washed a considerable distance. There are therefore dry diggings up the river. The river is a very large one, and since the bars are rich, the diggings above must be rich and extensive."

The latter part of this question, arrived at from inductive reasoning, is true to the letter. The mines have been found rich and extensive beyond conception, and the Fraser River fever of '58 will recur again in 1862, but with very different results. The author of the work above quoted, may take honor to himself for the acuteness of perception, for the gold hills of British Columbia are as rich as the valley of the Sacramento; the gold equally as coarse.

Nothing has done so much injury to British Columbia as the excitement of 1858. The disappointment of fifteen thousand miners produced a hatred of the country, and had the effect of stopping at once the immigration from England and other places, a misfortune which has never been recovered from. The cry of the Fraser River being a humbug was raised, newspapers took up the calumny, and the falsehoods are still believed; for although the truth is strong and must prevail, it takes a long time, particularly against the press.

The causes of the excitement of 1858 have ever been to us inexplicable. The people of Victoria had nothing whatever to do with them (I mean the first colonists), for when the first rush occurred, they were exceedingly taken aback, and did not know what to make of it; no preparations had been made – no speculations entered into – in fact, they had no reason to do so, for an immigration was entirely unexpected. The discovery of gold was made upon Thompson's River in the fall of 1857, but the quantity received amounted to less than twenty dollars, scale gold. This excited some curiosity, but no one looked for any result at that time. When the miners arrived, and the Victorians told them the truth, they were disbelieved and accused of wishing to keep the discoveries secret. The newcomers persuaded themselves into a belief of inexhaustible treasures; they left for the Fraser in all kinds of conveyances; boats consisting of three planks nailed together, and shaped exactly like a coffin, were built in numbers, and to these frail barks many entrusted themselves to cross the gulf of Georgia. The excitement, once set a-going, fed itself; the disease extended far and wide. The first miners on the river found very rich bars, but the gold fine. The river now began to rise – *mining ceased* – thousands remained at Victoria until the river should fall, it being the general belief that immense quantities of gold would be found in its bed. In this existed the great error. Some penetrated to the interior. The river fell, but the lower it became, the less the gold, except upon certain bars. The gold was now known to be "float gold". A mania for the Upper Fraser took place, but no roads, save one small trail from Hope, over Manson's Mountain, existed; this trail having been used and made by the Hudson's Bay Company was execrable, and only passable for a few months in the year. The additional traffic soon rendered it impassable altogether. The miners now agreed with the Governor to open a new road upon certain terms. This was the commencement of the present Lillooet road; but before it was finished, reaction had taken place – disappointment ensued – the cry was raised of the gold being a fiction; the miners left the country faster than they had come. Then arose the yells of an "Arctic climate;" falsehoods were circulated, of men frozen or

starved to death, and a host of other calumnies too numerous to mention. Not a thousand persons remained in British Columbia, but they made valuable discoveries and money. The following year, miners returned to the river, about three thousand, and since then fresh diggings have continually been made, culminating this season.

The true reason of the exodus exists in the fact of there having been, at the time, no roads into the interior. Provisions could not be transported; in fact, it was almost impossible for men to travel, because the interior could not be reached without crossing mountain barriers of great extent and altitude. Those who had gained the interior were obliged to quit from want of food; those who remained suffered considerable hardships, but found rich claims on the Fraser. The natural difficulties of the country occasioned the exodus, and not the want of gold, for of all countries in the world, British Columbia was at that time difficult of entrance.

The people have never yielded. They have always entertained the greatest confidence in the mines, notwithstanding the various causes of depression. How different is the country now! Since '58, about \$500,000 have been expended in making roads alone, and now there exist two wagon roads to the interior, one by way of Hope, one by Douglas (Lillooet route), open all winter through, and a third from Yale. The interior is dotted with ranches, so that traveling and packing is now as easy as it was before impossible. The only difficult portion of country now, is about the Cariboo mines, but even that will soon be remedied. To show that the mines have been constantly worked, take the fact of the revenue of British Columbia last year, from all sources, which amounted to \$300,000. This year it will be one-half more. Recollect, this revenue is nearly all paid by miners either directly or indirectly. In '58 it cost \$60 to transport a ton of goods from Victoria to Hope; now it is about \$10. Rates of packing to the interior are *ten times* less than formerly; passage money is trifling, steamboats numerous.

Year after year, the discoveries of gold have constantly increased, both north and south, and it is now well ascertained that the metal extends from one end of British Columbia to the other, its main bed being a range of mountains running north and south, unnamed, the rivers and rivulets from which all abound in the precious metal, and immense tracts of dry and gulch diggings exist around.

Last year the first discoveries of the Northern mines were made; the Quesnelle River came into vogue. This occasioned some excitement, and attracted a numerous population; winter set in. This year the whole mining population returned thither – the fate of the country seemed to depend upon them. What has been the result? Glorious. The Cariboo mines have turned out rich beyond our most sanguine expectations; henceforth British Columbia ranks among the greatest of gold-producing countries, not only in extent, but in wealth! Soon after the miners commenced prospecting there, the news came of grand discoveries. These reports were at first received with caution. Shortly, however, other great discoveries were made, so well authenticated that all doubts and the anxiety of hope were at once removed. The country responded. Everybody rushed to the new El Dorados; Victoria and the river towns were completely deserted; miners left the Southern diggings; in fact, a miniature of '58 took place, excepting that, instead of disappointment, a

complete jubilee has arisen. Miners have and are still taking out from \$100 to \$250 per day to the man, and in several instances, instead of dollars, ounces may be read with truth. I cannot, in this communication, give you the names of certain well-known parties who have met with these successes; but the fact is undeniable, and many persons who left Victoria almost penniless are now known to be worth thousands of dollars – the result of a few weeks' work.

The gold for the most part is found upon the bedrock, which usually exists at a very few feet below the surface, and when reached the metal is taken out in almost fabulous quantities. Fine gold is now despised – nothing but nuggets or coarse stuff goes down. The rivulets and creeks extend over a vast extent of country, and their banks are rich beyond description. Exploring parties are out in all directions and daily fresh discoveries ensue; each new finding leading to a diminutive rush, for the miners there are the same as everywhere else, leaving good claims in the hope of still better. All letters received rehearse the same tale; the country is safe; the diggings equal to anything found in California in '49. There is plenty of room for thousands, and then even there will be room and riches for thousands more. Such are the reiterated assertions, or rather truths; that they are truths is beyond gainsay.

What is the state of affairs at the mines? Peace, good will and good order, for the most part, prevail. Men are careless and lavish of their money – gambling and its usual accompaniments exist – towns spring up like mushrooms and dot the gold region. Provisions are abundant, and not dear. Labor is scarcely to be had at \$10 or \$15 per diem with provisions, because each man prefers looking for a claim of his own, and it is only those who lack a little money that will work for others, and then only so long until they obtain sufficient to prospect for themselves. The excitement is intense – hardships are thought lightly of – the miner is the same as ever. In addition to these diggings quartz leads have also been found, and beautiful specimens have found their way here. You will now see at once that we are upon the eve of another rush or excitement, and it is now hoped that an immigration will take place from Europe, Canada and Australia – probably also from California and the Nez Perces mines.

“Victoria is looking up”²⁰³ (October 18, 1861)

Victoria, October 7, 1861.

BUSINESS IN VICTORIA

Victoria is looking up. The dull season has passed; miners are arriving with their bags of gold, determined upon a holiday. Many of our residents who went away with empty pockets in May, have now returned well laden, and exhibit specimens of gold and quartz which excite admiration, and determine others to go and do likewise next spring. To hear them talk is enough to drive all persons exercising peaceable and small profitable pursuits into the yellow fever; but enough of this. Gold is more plentiful than pebbles – in British Columbia. Merchants are more than satisfied; are

²⁰³ From ANGLO-SAXON. (1861, October 18). OUR VICTORIA CORRESPONDENCE. *Alta Californian*, p. 1.

sure the country is safe, and revel in its future greatness – which means the intention of doing and the fact of having done a big and profitable business. Early next spring, steamboats will run direct from California hither; an immigration must take place; the days of adversity will be (it is hoped) buried – heaven only knows where – probably where their progenitors have gone.

FIRST AGRICULTURAL FAIR

The last week has been one of unusual excitement – a regular holiday. The first Agricultural and Horticultural Show took place on Wednesday last, and is confessed on all sides to have been decidedly successful – more so than first exhibitions of the kind usually are. The cattle, horses, sheep, hogs, etc. were the best of their kind, of which the fact of their having been imported from England is a sufficient guarantee: people don't pay passage money for inferior stock. The horses, however, were chiefly from Oregon and California. Of course, here were vegetables of all sorts and sizes – regular giants in their way. The specimens of maize, however, were much larger and finer than even we supposed the island capable of producing, and, no doubt, hereafter will be more cultivated. Wheat weighing 65 lbs.; oats, 54 lbs. to the bushel were shown.

Apples excited the admiration of all, both as regards size and flavor, and no little surprise was exhibited by man – the apples grown here being much more solid and juicy than those grown in Oregon – of whom it is hoped we shall soon be independent in that commodity. The fact is, the island is capable of producing all we require in the shape of cereals, fruit, or cattle; but the cultivators of the soil are wanting. The various classes, aristocracy, democracy, and all other crazies, were here brought to a dead level, and competed for the prizes side by side. The Governor, for instance, or rather his gardener, passed off for fruit; counsellors, for bulls; members of the Legislature, for hogs and vegetables; bankers, for flowers; nobles, for hams, and farmers generally for grain. The exhibition was followed up, English-like, by a dinner, and terminated with – the usual thing.

The three following days were devoted to racing, under the auspices and superintendence of the Jockey Club – but this even did not prevent some little chicanery being practiced, the aiders and abettors of which will, however, be erased from the books of the club. Beacon Hill Course is a little over a mile, say fifty yards or more, the quickest time being two minutes and three seconds. The horses are unknown to fame, save Silvertail, who, however, was beaten – but no one believes but that his rider had more to do with the defeat than the horse – at all events those who lost money say so. Nothing is known of trotting matches here – Britishers take no delight in that sort of thing.

UNION FEELING

The Union people here held a meeting a short time since, at which it was determined to raise funds for the support of the wives and families of those engaged in the present unfortunate civil war. The whole thing passed off very quickly. No one, at first sight, would suppose that any great amount of feeling existed here upon the awful condition of affairs, but only let it be known that a steamer is coming, then crowds at once rush to the wharf, all eager to hear the tidings. Extras are published

with almost inconceivable dispatch, and in a very short space of time circulate through the colony; but here the matter ends. There are no public displays, and everyone is allowed to express an opinion without its being taken in bad part. As we now have the mail steamer from Puget Sound twice a week, we are never very far behind in the affairs of the day, which are interesting to all parties of the community. The American Government has been very liberal in the way of steamboats. They have contracted that the steamer *Enterprise* come here twice a week. We hope to reciprocate a [missing line] next spring.

REGISTRATION OF DEEDS

An act for the registration of deeds, etc., for British Columbia, has been published, and will come into force very shortly. This act resembles, in many respects, the Californian one – in fact, that has been made the basis of its construction. In Victoria the registration act is based upon the principles of Australian law – at least it is said to be – and instead of being a mere “registration,” aims at keeping “titles” perfect; without a good title none can register. There is no such thing as copying the deed. Thus far it has succeeded very well, and is becoming more popular every day. Of course when the original deeds have been registered, there is but little difficulty, excepting that many conveyances made about the time of the excitement of ’58, have been informally drawn up; but attention being drawn to that fact, the remedy in most cases is very easy.

The British Columbia “Convention” have got up another petition of grievances to Her Majesty’s Government, but it is such a trashy production, that no notice will be taken thereof. There is but little occasion to praise the Government of British Columbia; but this much is certain, that the country would be much worse off if blessed with a Legislature. It might be better off if there were fewer politicians and patriots.

“Joyful and contented”²⁰⁴ (November 5, 1861)

Victoria, October 25, 1861.

THE MINING SEASON

The mining season in British Columbia for this year may be said to be ended, having lasted some five months or so, but during that period many have made their pile, and still more have made discoveries that will enable them to do so the coming year. Miners arrive here daily, laden with their thousands of dollars, joyful and contented, unmindful of the past; care and labor are for the time thrown aside – pleasure and comfort taking their place. They one and all give the most glowing descriptions of the gold fields, and their hearers are ravished with the tales, which, although true, would be considered fabulous, were it not that the real Simon Pure supports the history. It is somewhat difficult to believe that men have made a hundred ounces in one day, yet such is now known to be absolute fact, not in one

²⁰⁴ From ANGLO-SAXON. (1861, November 5). OUR VICTORIA CORRESPONDENCE. *Alta California*, p. 2.

instance only, but several. The miners believe that the discoveries this year, rich and exclusive as they have been, will be totally eclipsed next summer, and that Cariboo will prove the *ne plus ultra* of gold regions. Already quartz leads and rich hill diggings have been found, which, in future years, will be worked in winter as in summer, so that the shortness of the mining season will ere long cease to be a subject of complaint. Hardships are among the things that were; the land now flows with milk and honey; the gold digger may fare as well as the in-dwellers of towns. In such a state of affairs it will not excite any surprise to learn that everyone speaks of "trying his luck next spring." The excitement is great and deep – a gold fever is at hand – now is the period of incubation – the approach of spring will witness the eruption – the disease, *sacra aura fama*, will carry off its thousands from Victoria, and the neighboring counties, to the golden hunting grounds of British Columbia; there they will reach their heaven, and if they choose, their (gambling) hell; but either is considered happiness to its votaries. So much for taste; but Cariboo is a fixed fact, and no mistake; but it is of no use for any to go there until the winter be past. Of course, Similkameen, Rock Creek, Thompson's River, Okanagan, Cayoosh, and a hundred other places hitherto favored, now pale before the sun of Cariboo, and shrink for a time into lesser stars.

GOLD EXPORT

The export of gold to San Francisco previous to 1861, amounted to above three millions of dollars, shipped by Wells, Fargo & Co., alone. This year that sum will be increased about one million and a half of dollars more, by which it will be seen that although the yield has been steadily and constantly increasing heretofore, still that during this year it has made giant strides. But although thus abundant the gold, the scarcity of coin is notorious. Much of the metal sent down has to return here in the shape of money and, of course, there is a loss of between two and three per cent, the result of freight insurance and whatnot. This loss has been observed to act very deleteriously to the interest of the colony in several ways, and in none more than the dissatisfaction miners exhibit at the discount, so much so, indeed, that several leave for San Francisco on this account alone, although in carrying their dust with them, they must pay a portion thereof, supposing, of course, their treasure to be insured.

A MINT

To obviate in some measure these disadvantages, it has been proposed in the Legislature, to transmit a petition to Her Majesty, praying for the establishment of a Mint in the colony. Although acknowledging the desirability of such an institution, if supported and paid for by the Home authorities (which, of course, they would not do), the resolution was opposed upon the ground that whether coin or dust were exported, the loss would be nearly the same, particularly as the coin would not circulate in a foreign country; moreover, the cost of establishing a mint (\$50,000) and the expense of maintaining it, say \$2,500 per annum, would, in the present limited amount required for circulation in the colonies, really amount to a very much greater loss than two and a half per cent.; in fact, figures were brought forward to show that every dollar coined for circulation within the colony would cost about four dollars – of course, for exportation, in payment for value received, the gold dust would be employed. It was therefore considered at all events economical to make use of the

United States money, and it was observed that Canada, with her large population, found this to be the case.

The fact is, a mint would be beneficial in many ways, but the colony cannot just now afford the luxury; at the same time, it is not a question which can be settled by figures and a two foot rule. There are so many real losses and inconveniences connected with a want of coin, that there may be a doubt whether the expense of a mint would be really any loss at all, even at present. However, the good folk of [New] Westminster may take the matter in hand (they have an Assay Office), and put it down among their next list of grievances – that he (the Governor) knowing how badly off we are for money, has failed to supply us therewith! Until the consummation of this desire, we must be content, as heretofore, to exchange our gold for American coin in San Francisco, and bear the loss, however much we would like to have the profile of our Queen in place of the head of Washington.

“Vindication of poor Columbia”²⁰⁵ (November 4, 1861)

Victoria, Oct. 28, 1861.

The *Otter* arrived last evening with one hundred miners and two hundred and fifty thousand dollars in dust. Last Saturday she brought one hundred and fifty thousand dollars in dust. These amounts include the sums sent by express and those in the miners’ sacks. Smaller sums have been brought by other vessels, and it may be said with truth that \$500,000 have arrived here within the last ten days. The mining season being over, the miners are coming down, and the above is a part of the result of their summer’s labor; there are more miners and money to come yet. Of course, the greatest part of this will reach San Francisco in one way or another. We know not at present how much will be sent away by the Columbia River; but, recollect, do not put all the gold brought by the *Pacific* this trip to the credit of the Nez Perces mines, as has been so frequently done. You will find before long that the Nez Perces mines are, for the most part, situated at a place called Cariboo, in British Columbia. Of course it is delightful to see miners with their bags of gold – the witness and vindication of poor Columbia, so much and so widely abused heretofore. The largest nugget yet found weighs seven pounds. [...]

INDIANS

We have now collected here about three thousand Indians of various tribes and costume – the simple blanket being the most fashionable, the dirtier the better. These aborigines have come to enjoy a feast and distribution of blankets²⁰⁶ given by the tribe here; property in blankets, etc., to the amount of \$1,500 or \$2,000 will be given away. This is how the blankets go! The Indians are quite peaceable, give no trouble, but afford some amusement; indeed they have arranged a sort of police among themselves for the purpose; so much for example.

²⁰⁵ From OUR VICTORIA CORRESPONDENCE. (1861, November 4). *Alta California*, p. 1.

²⁰⁶ A potlatch.

BUSINESS IN VICTORIA

Victoria has now thrown aside her dullness, is again prosperous, and will continue so until the summer, but then the place will be deserted by nearly every one now here, yet the influx will make up the deficiency. It is astounding how this town increases; new and substantial buildings are perpetually being erected, why and wherefore one can scarcely tell. Landed property is considerably on the rise, and brick buildings are replacing the former wooden ones. Trade with England is increasing rapidly, and by the English ships are brought large quantities of French goods, but more particularly wines and brandy, of which the quantity imported is truly enormous. Vancouver Island, its geographical position and free trade policy is becoming better known in England, and it appears probable that we are now upon the eve of a start straight forward to success, particularly as the British press has at length opened their eyes to its importance.

“The Cariboo excitement”²⁰⁷ (November 25, 1861)

In my former communication you were made acquainted with the discovery of very rich and extensive deposits of gold in British Columbia, as likewise with the fact of miners having made as high as one hundred ounces in a single day. There is not the smallest room to doubt this information. Of course, every miner has not met with such decided success, but there are numerous instances of men having obtained one hundred dollars per diem. Brown may have been unfortunate for some reason or other, but Smith, Jones, and Robinson have been lucky and made their pile. Such is the case in all mining communities. Since my former letter, of October 26th, the *Otter*, and many other steamers, must have brought down at least three hundred thousand dollars; in that sum being included the amount in miners' and express hands.

From these later arrivals, previous reports have not only been corroborated, but the fact of miners having made from three to thirty thousand dollars, and more, during the past season, is placed beyond cavil; they have the gold in their own possession. Is any better proof required? There are few, very few, indeed, who complain, and even these are hopeful that the next year will made up for their disappointment during the past. None deny the superlative richness of the country, and the greater number expect that still more extensive and even richer deposits will found the ensuing season; in fact, but a small portion of the North has yet been explored. It must be recollected that the present excitement is not the result of any sudden discoveries.

Williams, Lowhee, Humbug, Lost, and numberless other creeks and rivers have been but the extension of the discoveries of last year upon the Quesnelle. They are all comprehended under the term “Cariboo”. All through the past summer there has been a mania for that region. The reason for the great excitement now, is really owing to the miners arriving with their earnings – such a collection of gold, and successful persons, being sufficient to turn the head of the steadier, and make even

²⁰⁷ From OUR VICTORIA CORRESPONDENCE. (1861, November 25). *Alta California*, p. 2.

the most sceptical a firm believer. Of course, the amounts hereafter brought down by the steamer will lessen, for the simple reason that the time of production has passed for the present year.

ADVICE TO ADVENTURERS

The *Pacific* will leave here in a day or two, crammed with miners and their treasures. British Columbia requires nothing more than these to vindicate her character. Make inquiries of any one of them; your correspondent does not fear the result. *Magna est veritas!* God defend the right! Now for a word of advice. It is fully expected that some persons will leave California for British Columbia. It would be worse than useless to be in that country before May next. The mining region being at a great altitude, the snow does not disappear, as a rule, before the middle of May, sometimes a week or two earlier or later. It will be self-evident that exploration cannot be undertaken until that period arrives.

The country being now easy of access, two weeks will carry a person from Victoria to Cariboo. Of course, in future years it is expected that mining will be carried on during the winter months, but as yet, such has not been tried; in fact, Cariboo is now deserted, save and except by a few individuals who have been left to protect claims from picking and stealing, as it might be worth the while of some to dig even through snow, to get at claims that would yield a hundred dollars per diem – that is, other persons' claims, known to yield that amount.

It must rather be understood, that the mining season closes in October, or, at all events, the beginning of November, and that mining in the mountain is as hard at Cariboo as anywhere else; it is no child's play.

GOLD IN THE RUSSIAN TERRITORY

By the arrival of the Hudson's Bay Co.'s steamer *Labouchere*, from the North, the intelligence is given of gold in paying quantities (\$10 per diem with a rocker) having been discovered upon the Stickeen River – one white man only having been at work. Stickeen River is north of the British line, and is in Russian Territory, at least the lower thirty miles. It may not be generally known, that the Russians possess a long stretch of coast from 59° N., extending only thirty miles inland; beyond this the interior being British territory. The gold upon the Stickeen is fine, or scaly, resembling that upon the Lower Fraser. It is therefore supposed to have been brought from a long distance, probably the country north of Cariboo. The Stickeen is a large river, its source unknown. Indians are very numerous and warlike, indeed it is not believed that the pioneer above mentioned will be allowed to quit with his treasure. Gold has also been found upon the Naas and Skeena, but in smaller quantities, those rivers being in British territory.

GOLD ON THE SASKATCHEWAN

From letters recently received, we learn that the gold discoveries upon the Saskatchewan are a fixed fact, and have produced a great excitement at Red River and the American States upon the border, from which many persons intend going next summer; in fact, a regular gold fever has taken possession of those otherwise secluded people, and, doubtless, will extend to some parts of Canada. Much depends upon the richness of the diggings. They are said to be very good.

The precious metal has also been found upon the west side of the Rocky Mountains. In fact, there seems to be an immense auriferous region from Cariboo to the Saskatchewan, and from the former to Okanagan, Similkameen, etc. How far north Cariboo extends, is perfectly unknown. What will this immense mineral wealth lead to? One thing seems certain, that ere long the stream of immigration will extend from Canada to the Saskatchewan, and from thence across the mountains to British Columbia.

There is a very good pass in the mountains at *Tete Jaune Cache*, and an excellent road can be made, the distance through the woods not being much more than four hundred miles. Will the British Government see the wisdom of opening this road, and directing the stream of immigration from its shores to British Columbia – that being the only way that the possessions can be peopled by loyal subjects of her Majesty, or indeed, settled at all?

“Business very good and everybody busy”²⁰⁸ (November 29, 1861)

Victoria, Nov. 25, 1861.

Victoria is full of miners, healthy and wealthy – business very good and everybody busy. The long hoped for time has come at last, but with a very strange and unfortunate drawback. The fact is, the miners have brought down so much gold that there is not anything like sufficient coin to purchase it. This is a cause of general complaint. The next thing is that gold bars cannot be changed into coin, excepting at a discount, varying from 2½ to 4 per cent. Of course, this arises from having to import coin and export the bars, which cost in insurance, freight, etc., about four per cent., at least. Rather than suffer such a loss, the miners will take themselves and bars to San Francisco, and thus Victoria, and indeed, Vancouver Island, loses the greater part of the benefit expected. There being no amusements of any value here adds to the exodus – in fact, in this respect, the place was never so badly found. From those causes, the *Pacific* will receive, it is expected, not less than three hundred passengers, perhaps more, with their piles, and thus will San Francisco reap the benefit of those mines which she has been so apt to decry. How different is the return of the miners now, compared with '58!

A MINT

I told you before of the question of the establishment of a Mint having been discussed in the Assembly and superseded. Since that, however, the loss to the country by the deficiency of coin and the manifold injuries resulting therefrom, has forced the attention of the community to the subject, and various schemes of no value have been promulgated to meet the sudden emergency. The Governor has taken the matter up, and called a meeting of merchants about the affair. He has a scheme, viz., of taking varieties of dust, of different fineness, and melting them together, so as to produce a standard fineness, and having obtained that, to coin twenty, ten and five dollar pieces, which shall be in gold intrinsically worth the sum mentioned, and shall

²⁰⁸ From OUR VICTORIA CORRESPONDENCE. (1861, November 29). *Alta Californian*, p. 2.

equal those of the United States. In fact, he would establish a Mint, but without the most expensive part of that establishment, viz., the refinement of the gold. The silver contained, in more or less quantity, in all the gold, would be left therein, and this would actually increase the value of the coin. It is believed that by such a process, coin could be manufactured at a less cost than one per cent. There is a difficulty, however, which is not easily got over, viz., the depreciation of the value of such coin in a foreign market, where probably it would not circulate. It is true, the British sovereign maintains its value, as a rule, all over the world, but would such be the case with the British Columbian coinage? Of course it would be an easy matter here to declare the same a legal tender of the value represented by the piece; but that does not get over the difficulty, as any depreciation of the value in California would react here. This, probably, is a matter that must regulate itself like any other exchange, but it is supposed that the silver remaining in the coin would prevent the exchange being against us.

The long and short of the matter is, that, before long, British Columbia will possess a Mint, and by this means it is hoped to avert the disapprobation of the miner, by purchasing his dust at a small discount, or by converting it into coin at a small expense, and thus prevent his leaving this country for the sole purpose of converting his gold into coin at San Francisco. The miner who possesses \$10,000 says: "I can get to San Francisco and back again for \$50; if I remain here I lose \$400 upon my dust; therefore by going to San Francisco I save \$350." Of course he does not in this account insure his property. If coin could be had in exchange for assayed bars at less than one per cent. discount, of course the same would not hold good. There is no reason why the Government should not try the experiment, save and except the expense; but I believe that would be as nothing compared with the present loss.

From the *British Colonist* (Victoria)

“Assay office”²⁰⁹ (August 29, 1859)

An Assay office, what has long been wanted, has been established in Yates Street, by Messrs. Marchand & Co., well known as assayers in California. This is another evidence of the confidence of practical men in the durability of our resources; and will no doubt prove materially to the advantage of dealers in gold dust.

“Canadian Currency Act”²¹⁰ (September 2, 1859)

Below we publish such portions of the Canadian Currency Act to amend the Currency, passed in 1853, as may be interesting to us at the present juncture.

PREAMBLE

Whereas it is desirable to adopt a Currency for this Province, which may hereafter be advantageously made common to all the Provinces of British North America, as being simple and convenient in itself and well calculated to facilitate their commercial intercourse with other parts of this continent:

DENOMINATIONS OF MONEY

And be it enacted, That the denominations of money in the Currency of this Province, shall be pounds, dollars, shillings, pence, cents, and mills: the pound, shilling, and penny shall have, respectively, the same proportionate values as they now have, the dollar shall be one-fourth of a pound, the cent shall be one-hundredth [of a dollar] and the mill one-tenth of a cent; and in any statement as to money or money value in any agreement, indictment or legal proceeding, the same may be mentioned or described in pounds, shillings and pence, or in dollars, cents and mills, or in any or either of such denominations, as may be considered expedient.

DOLLARS AND POUNDS DEFINED AS LEGAL TENDER

And be it enacted, That the Pound currency shall be held to be equivalent and to represent one hundred and one grains, and three hundred and twenty-one thousandths of a grain, Troy weight, of gold of the standard of fineness now prescribed by law for the gold coins of the United Kingdom; and the Dollar currency shall be held to be equivalent to and to represent one-fourth part of the weight aforesaid of gold standard; and any gold coins of the standard of fineness aforesaid which Her Majesty shall direct to be struck at the Royal Mint, shall, by such names as shall be assigned to them in any Proclamation declaring them lawful money of this province, pass current and be a legal tender for sums to be mentioned in such Proclamation and proportionate to their respective weights, subject to the like allowance for remedy as British gold coins.

²⁰⁹ From ASSAY OFFICE. (1859, August 29). *British Colonist*, p. 2.

²¹⁰ From CANADIAN CURRENCY ACT. (1859, September 2). *British Colonist*, p. 1.

VALUE OF THE SOVEREIGN

And be it enacted, That the Pound Sterling shall be held to be equal to one pound, four shillings and four pence, or four dollars, eighty-six cents and two-thirds of a cent, currency, and any British sovereign of lawful weight, shall pass current and be a legal tender for that sum; and the other gold coins of the United Kingdom shall, while of lawful weight, pass current and be a legal tender for sums in currency, equal, according to the proportion aforesaid, to their sterling value.

VALUE OF UNITED STATES' COIN

And be it enacted, that the gold Eagle of the United States of America, coined after the first day of July, one thousand eight hundred and thirty-four, and weighing eleven penny-weights, six grains, Troy weight shall pass current and be a legal tender in this Province for ten dollars and sixty-six cents and two-thirds of a cent or two pounds, thirteen shillings and four pence, currency, and the Half Eagle of like date and proportionate weight, for one-half the said sum: and the gold Eagle of the said United States, coined after the day last mentioned, and before the first day of January, one thousand, eight hundred and fifty-two, or after the said day, but while the standard of fineness for gold coins then fixed by the laws of the said United States shall remain unchanged, and weighing ten pennyweights, eighteen grains, Troy weight, shall pass current and be a legal tender in this Province for ten dollars or two pounds ten shillings currency; and the gold coins of the said United States, being multiples or halves of the said Eagle, and of like date and proportionate weight, shall pass current and be a legal tender in this Province for proportionate sums.

LEGALIZING FOREIGN COINS

And be it enacted, That Her Majesty may at any time declare by Proclamation, that any or all of any other gold coins of the said United States or of any other Foreign Nation or State shall pass current and be a legal tender in this Province, at rates in currency to be assigned to them respectively in such Proclamation, when of the weights to be also assigned therein, such rates being proportionate to the quantity of pure gold in such coin, reckoning ninety-two grains, and eight hundred and seventy-seven thousandths of a grain of pure gold as equivalent to one pound currency.

Since the above act was passed another has been enacted, which made it necessary for the government business to be transacted in Dollars and Cents. It went into operation in 1858.

“A card”²¹¹ (September 2, 1859)

We the undersigned, for the purpose of facilitating business, hereby agree to continue our cash receipts and disbursements, and conduct our business generally on the basis of the dollars and cents as heretofore; and for the settlement of the value of the Coin now in circulation hereby agree to receive and pay the various coins at the following value, viz. $\frac{1}{2}$

²¹¹ From A CARD [Advertisement]. (1859, September 2). *British Colonist*, p. 2.

GOLD COINS

English Sovereign	\$4.85
English half Sovereign	\$2.42½
American double eagle	\$20.00
American eagle	\$10.00
American half eagle	\$5.00
American quarter eagle	\$2.50
All gold coins which have hitherto been current at \$4, say 20 franc pieces, &c., at	\$3.75
Doubloons of every description	\$15.00

SILVER COINS

English shilling	\$0.25
English sixpence	\$0.12½
American dollar	\$1.00
American half dollar	\$0.50
American quarter dollar	\$0.25
Mexican dollars	\$1.00
Mexican half dollar	\$0.50
Colombian dollar	\$0.60
Five franc piece, French and Sardinian 5 livre	\$0.90

All other coins not above specified, to be current at the rates established for the same in San Francisco.

Victoria, Sept. 1, 1859.

Pickett & Co.,	N. Troweek & Co.,
Janion & Green,	G. A. Reynold & Co.,
Henry Rhodes,	Huntoon & Co.,
Dickson, Campbell & Co.	A. Kaindler,
C. Sullock,	Wm. Broderick,
T. Ruiff,	J. Morris, C. Eng'r,
John T. Little,	Reid & McDonald,
Chas. B. Young,	Sporborg & Co.,
Dulip & Waddington,	Goodwin & Co.,
K. Gambitz,	W. Wolffseh,
A. R. Green & Co.,	<i>pro</i> Edgar, Lester & Gibbs,
<i>pro</i> Cramsie, Atty.,	N. Solomon,
W. H. Oliver,	R. Rosenherg,
G. Vignolo,	T. P. Galleck,
James Bell,	S. Ashim,
John J. Crancy,	J. Morris, C. Eng'r,

Samuel Price & Co.,	J. D. Carroli,
James Wilcox,	A. Blackman,
S. Lewis,	L. Reinhart & Co.,
Guild, Webb & Co.,	S. Elsasser & Co.,
Caire & Gramini,	W. L. Ryckman,
N. Moore & Co.,	Daniel Gorham,
Langley Bros.,	Curtis & Moore,
Hibben & Carswell,	J. Harrison.
Webster & Co.,	

"Currency question"²¹² (September 5, 1859)

With the large immigration to this country in 1858 from the United States came the custom of doing business with a decimal currency, instead of, as formerly, in £ s. d. The circulating medium in British coin at that period was a mere nothing in comparison with the amount of American coin introduced by the immigrants. Consequently no great loss or inconvenience was experienced till lately, by taking the British sovereign as an equivalent for the American five-dollar piece. Speculators however, finding that sovereigns passed here for fifteen cents more than their intrinsic value, introduced them into the market in such quantities as to render United States' coin extremely scarce. European and South American coin were also imported from San Francisco and circulated here at more than their value there.

Alarmed at the altered value, intrinsically, in the circulating medium – which was felt by the mercantile community particularly, as San Francisco was the chief place where remittances had to be made, and the British and foreign coin which passed here as an equivalent for the American currency, when remitted there was done at [a] loss – it became necessary to arrive at an understanding of the question.

The price fixed on merchandise being in accordance with the decimal currency of the United States, and the differences between the currency here and there being from 3 to 50 per cent, either the prices of merchandise had to be raised in a corresponding degree, or the standard of American coin adopted, and British and foreign coin fixed at its intrinsic value in proportion with that standard.

The conclusion arrived at was to retain the American standard, which was certainly desirable considering the intimate business relations between this colony and the United States. The government, however, imbued with excessive loyalty to pounds, shillings and pence when there was no occasion for it, has taken a position adverse to practical business men; and through its usual want of practical talent has sent a circular to all the Heads of Departments in both colonies to do business only in British currency and to take the sovereign as an equivalent for \$5.

The consequences of this action on its part will entail a loss of three per cent. by the revenue. Take, for instance, the duty on merchandise entering British Columbia, at ten per cent. If this is paid in sovereigns which are only worth \$4.85

²¹² From CURRENCY QUESTION. (1859, September 5). *British Colonist*, p. 2.

(and merchants will be shrewd enough to do it), [it] will allow only 7 per cent for revenue; and it will afford a clear gain, to the importer, of 3 per cent, and an equal loss to the government. On the retail license for a quarter at £25, the loss will be \$3.75. Existing contracts and salaries, if in pounds, will consequently be decreased. A salaried officer entitled to £350 a year would lose \$52.50, a material item.

In this state of things, what is to be done? Will the employees of the government be the losers? Or will the government raise their salaries? Either one or the other must follow. It is scarcely a supposable case that the prerogative will be used to declare the value of coin agreed upon by the mercantile community illegal, and the taking or paying sovereigns at a rate less than \$5 a finable offence? But in that case it would be a distinction without a difference. The value of merchandise and labor would be raised in a corresponding degree, and the employees of government still the losers. No course therefore is open to government except to raise the salaries of its servants, and the revenue three per cent; or adopt a decimal currency throughout, and make coin a legal tender at its intrinsic value.

Will the former then be adopted, with a £ s. d. currency, and a fictitious value to the sovereigns to render business more complicated? Or has not the latter course so many economical recommendations that they ought to have sufficient weight with the government to ensure its adoption at once?

“City Trade Report”²¹³ (February 24, 1860)

This article is included to give the reader an idea of the prevailing prices in Victoria.

The transactions to-day were limited, except in No. 1 China Sugar, of which article a considerable sale was effected, at 8c ^{per}²¹⁴ lb. The Flour market continues firm, and Barley is stiff at 3c, cash, as it is expected the Pacific will bring intelligence of a rise in San Francisco, the supply there being very tight.

ALCOHOL – Prices remain about the same, 95c @²¹⁵ \$1 per gallon – for cash.

BEANS – Sale of 25 sacks California pink and red @3½c. Beans generally are of slow sale.

BLANKETS – Auction sale by J. A. McCrea of 25 prs white, @ \$2.75; 60 prs blue, \$2.37½ @ \$2.50; 100 prs scarlet, \$2.87½ @ \$3.12½. These blankets were all of English manufacture.

BREAD – Navy Bread 6c @ 6 1/2 c; Pilot Bread 6½ @ 7c; Soda Crackers 10c @ 11c. We notice a good supply at these rates.

BUTTER – Cooking is worth 22c @ 25c; ordinary table, 30c @ 32c @ 33c [sic.]; choice table, 37½c @ 40c; choice Goshen, in tins, 45 @ 47½c, full weights.

²¹³ From CITY TRADE REPORT. (1860, February 25). *British Colonist*, p. 3. The report is dated February 24, but it was published the following day. A small notice on the same page points out that “The proposed Assay Office at Westminster will be a substantial brick, with all the modern conveniences.”

²¹⁴ Per.

²¹⁵ Though usually meaning ‘at the rate of’, in this context @ is used to mean ‘to’.

CAMPHENE²¹⁶ – Firm at \$1.15, cash.

CANDLES – Adamantine, 24c @ 26c, according to quality; French Sperm,²¹⁷ in fancy boxes, at 37½c.

COFFEE – Rio is scarce, and continues firm @ 28½; Java 23 @ 25c. The Hudson's Bay Company received 6,200 lbs. Government Java, per Princess Royal [steamship,] in hhds²¹⁸, which is held at 25c, for cash. Boyee's ground, 22c @ 22½c; Chartres' ground 31 @ 32½, in 1-lb papers.

FLOUR – Golden Gate is firm and steady sale at @6.50 ¢ bbl²¹⁹, in sacks; Eclipse, \$5.75.

LARD – No sales of moment. J & H's is steady at 17½c ¢ lb, in 10-lb tins; Alden's at 16½c, in 10-lb tins.

LIQUORS – Common American Whiskey, 75c; Common American Brandy, 75c; best French brandy, \$5.50; American Gin, 65 @ 75c; Holland Gin \$1.25; Rum, \$2.25 @ \$3.50.

NAILS – Cut, various sizes, \$6 per keg; wrought, various sizes, 15c @ 18c.

ONIONS – A few in the hands of retailers, which are selling at 15c.

OYSTERS – Stetson & Piper's, \$8.50 @ \$9.00; other brands, \$6.00 @ \$6.50.

PORK – In half-barrels, \$12.50; whole barrels, \$20 – slow sale.

POTATOES – Sale of 6,000 lbs, from the Sound, at 1¼c; Vancouver and Whidbey Islands command 1½c @ 1¾c.

SOAP – Hills' \$2 ¢ box of 20 lbs; Dyers' \$2 @ \$2.25 ¢ box of 20 lbs.

SUGAR – No. 1, China, steady, at 8c @ 8½ ¢ lb; S. Island, 7c @ 10c, according to quality; N. O. commands ready sale at 12½c @ 13c.

TEA – Green, in 1-lb caddies, first quality, 40c; Green, in 2-lb caddies, first quality, 35 @ 37½; a good quality of black, in 1/3-lb papers, and loose, we quote as worth 40c @ 45c. Sales of 10 chests at the latter figure.

TOBACCO – The sale of 30,000 lbs tobacco, noted in Wednesday's report²²⁰ as "common brands," should have read "select brands". We are assured that no better article was every imported into Victoria. Prices for general brands remain the same as at last report, with no sales.

²¹⁶ The entries for camphene, nails and oysters are taken from the report of February 22, published on February 23.

²¹⁷ That is, candles from France made with oil from the sperm whale.

²¹⁸ Hogsheads. A hogshead is equal to 63 gallons.

²¹⁹ Barrel. A standard barrel of flour weighs 196 lb.

²²⁰ "TOBACCO – A sale of 30,000 lbs., common brands, was effected yesterday, on private terms. Natural Leaf, extra quality, 55c; inferior quality, 35c; Peach, in good demand at 47 @ 48c; Pyramid, 32c." CITY TRADE REPORT. (1860, February 23). *British Colonist*, p. 3.

“The Currency Bill”²²¹ (July 7, 1860)

The currency bill, introduced into the Assembly by Mr. Franklin, and which was passed by that body on Monday last, provides that the currency of the colony of Vancouver Island shall be pounds sterling, the currency of the U. S. of A., shillings, pence, cents and mills; the pound sterling is rated at \$4.85; the U. S. dollar at 4s. 1½d. The gold eagle is a legal tender at \$10; larger or lesser coins at U. S. value; \$10 or £2 in silver is considered a legal tender.

“The Colonial Mint”²²² (December 17, 1859)

We understand that our financial myths still cling to the pet project of establishing a Mint at New Westminster for the purpose of coining sovereigns. These individuals, being of a patriotic turn of mind, very naturally lament the scarcity of British coin in this part of the world; they ponder over schemes to prevent the American Eagle carrying off our gold dust, they object to the emblem of “Liberty” being systematically thrust upon their senses; and protest against our being any longer dependent on San Francisco for our supply of sovereigns, and in a word, the exclaim: “Why don’t we have a mint of our own?” And we answer: “Because we cannot afford to compete with our neighbors in the manufacture of coin.

Everybody knows, although he may not have studied Babbage, that in the manufacture of all articles there is a minimum below which it will not pay to manufacture; and that there is an intimate connection betwixt the demand for an article and the cost of production. The demand for sterling coins on the Pacific Coast is comparatively small; hence their production cannot be undertaken with profit. To import them from England would be very expensive. Consequently, we adopt the maxim that “Government can purchase any article at a cheaper rate than that at which they can manufacture it themselves,” and buy with our gold dust American coin.

The desirableness of having the stamp of our own government on the coins in circulation here is acknowledged by all mercantile men. It protects the unwary against imposition; it tends to foster mutual confidence betwixt rules and people; and renders unnecessary the trouble and expense of verification consequent upon the circulation of foreign coin. But while our exchequer is suffering from embarrassment it would be inexpedient, we think, to entertain the idea of burdening either colony, [Vancouver Island or British Columbia, with] the heavy expenses connected with the establishment of a mint. There is so much real necessity for funds that we cannot afford to squander money in the gratification of patriotic whims.

The annual production of the mines of British Columbia may be estimated at \$1,500,000. If we had a mint, probably \$600,000 would be melted into bars for exportation; \$150,000 coined into sovereigns; and \$750,000 shipped in dust by miners

²²¹ From THE CURRENCY BILL. (1860, July 7). *British Colonist*, p. 2.

²²² From The Colonial Mint. (1859, December 17). *British Colonist*, p. 3.

and others. This being considered, a fair estimate of the position of our mint would stand thus:

I. INCOME

	Melting and assaying \$750,000, @14 cents	
1.	Ⓕ ²²³ oz. (say 41,429 ²²⁴ ounces)	\$5,800
	Coining charges on \$150,000, one half of 1	
2.	Ⓕ cent	\$750
	Value of gold recovered from furnace,	
3.	crucibles, &c., one-half of 1 Ⓕ ct.	\$3,750
	Coining charges might be 1 Ⓕ cent higher	
	than at the San Francisco Mint (cost of	
4.	importing U.S. coin)	<u>\$1,500</u>
	Total income	\$11,800

II. EXPENDITURE

	1. Superintendent	\$5,000
	Assayer	\$3,000
	Assistant assayer	\$2,500
	Clerk	\$3,000
	Melter	\$2,500
	Assistant melter	<u>\$2,000</u>
	[Total salaries]	\$18,000
	2. Fuel, chemicals and incidentals	\$5,000
	3. Rent of building and machinery	\$2,200
	4. Interest on silver invested	<u>\$600</u>
	Total expenditure	<u>\$25,800</u>
	Excess of expenditure	\$14,000
	To which should be added, losses to the Colony	
	by deterioration of coin, which is at present	
	saved by the use of foreign coin, say one-fifth of	
	1 Ⓕ ct. per annum	<u>\$1,000</u>
	Total am't of loss to the Colony by the Mint	\$15,000

Assuming the circulation of Vancouver Island and British Columbia to be about half a million of dollars, the above estimate of the circulation of British coins (\$150,000) may be considered low. But it must be remembered that, for some years to come, the mines of British Columbia will be worked by capital and labor from California; and that while that is the case, the foreign miner will generally prefer selling in his own market, or at least receiving in exchange for his dust that

²²³ Per.

²²⁴ The original has 41,000, which would only add up to 41,000 x \$0.14 = \$5,740.

description of coin which is most marketable on the Pacific Coast. This, together with the fact [of] our mercantile population being opposed to the introduction of the duo-decimal system, will operate unfavorably for the circulation of the sterling pound.

When our gold fields double the yield of the current year, it will be time enough to talk about the establishment of a Colonial Mint. Even then, if it is decided to coin the sovereign and its aliquot²²⁵ parts, the mint will prove a feeble means of enriching our exchequer.

“The meeting at New Westminster”²²⁶ (March 10, 1860)

A meeting, attended by about two hundred of the residents of New Westminster, was held on the 5th inst. Mr. Homer was called to preside, and Mr. J. S. McDonald acted as Secretary.

The Chairman stated the object of the meeting to be for the purpose of petitioning the Home Government to redress existing grievances.

The following resolutions were adopted by the meeting amid much enthusiasm.

Resolved, That in the opinion of this meeting an absolute form of government is not suited to the Colony of British Columbia; but a representative government is desired by its people as the only form of government which will secure their welfare, while it will insure the progress of the colony and develop its various resources.

Resolved, That the time has now arrived for the people of British Columbia to address her Majesty's Secretary of State for the Colonies, on the political grievances under which they are suffering, and to request his Grace the Duke of Newcastle to lay such representations before Her Majesty, and to solicit Her Majesty to concede to the people of British Columbia a representative government.

Resolved, That this meeting desires to express in the strongest terms its disapprobation at the neglect of the interests of British Columbia, and the insults offered to the colony at large by the absenteeism and non-residence of Governor Douglas, Attorney General Carey, member of the Legislative Assembly for Victoria V.I., Acting Colonial Secretary Young, Treasurer Gosset, and Harbor Master Cooper. And this meeting desires that the wishes of the people of British Columbia may be conveyed to Her Majesty, that Governor Douglas, in consequence of his neglect of the special interests of this Colony, and his connection politically and *corporately* with Vancouver Island, may be removed from his post as Governor of British Columbia, and that a competent Governor may be appointed, who together with all the officials shall permanently reside in the colony.

Resolved, That the system of taxation at present enforced in British Columbia, is arbitrarily promulgated, unsoundly levied, and unjustly devised.

Resolved, That this meeting, alive to the benefits likely to result from increased political communication in British Columbia and immigration to it, expresses its disapprobation at the mode of taxation adopted by Governor Douglas, to carry out

²²⁵ Parts of something, especially samples taken for analysis (such as gold assaying).

²²⁶ From The Meeting at New Westminster. (1860, March 10). *British Colonist*, p. 3.

improvements; and also at the very imperfect and in some respects, injurious land system, at present enforced in this colony.

Resolved, That a committee be appointed to draft a Memorial to Her Majesty, embracing the above resolutions.

The utmost unanimity prevailed throughout the progress of the meeting, and everyone present seemed to feel keenly the importance of the questions debated.

“The currency”²²⁷ (Dollars and Cents, August 7, 1860)

We are informed that the Upper House have passed Franklin’s Currency Bill, with some modifications – one of the principal features of the bill, namely, the reduction of the *sovereign* to its legitimate par with the American *half-eagle* being retained.

The ill-advised proclamation of last year, which was intended to revolutionize our decimal currency, will be rescinded if this bill passes into law; and the British *sovereign* and the American *half-eagle* will once more enjoy a “fair field and no favor.”

Everyone knows that the appreciation of the *sovereign* by the Governor’s proclamation caused but little disturbance in our monetary transactions, owing to the fact that the people had already adopted the American decimal system both in coins and in money of account. The tendency, however, of such a measure was to withdraw from circulation a portion of the American gold and increase proportionally the number of sovereigns which had become depreciated in a foreign market to the extent of two per cent.

Had our common money of account been £.s.d. instead of dollars and cents, the injury to the community would have been felt more perceptibly, for prices would have risen much over three per cent, and the losses in retail transactions would have been frequent and burdensome. But the evil consequences usually attending an alteration in the standard of value, were, in the present instance, felt only by a few individuals for the reason just given.

The step may have been taken, as of old, with a view of enriching the public treasury, but we doubt very much whether the balance at the credit of our Treasurer’s Exchange account (*the difference betwixt the rates at which sovereigns were received and paid at the Treasury*) will be a fair set-off against the increased price which the Government have paid for labor and commodities contracted for during the past year.

It is not difficult to predict, in a few years, a ruinous depreciation of the currency of this colony, if we continue to offer a premium on the importation of sovereigns from California while we are without the means of replacing the worn-out coins by others of full weight. Our Government officials tell us that in a few years we shall have a branch of the Royal mint, and point to the assay office at New Westminster as an earnest. (Query: Is that an Imperial institution?) Perhaps, we shall; but we want to know who will bear the loss on these debased sterling coins when they are called in. Will the master of the mint issue a brand-new sovereign for

²²⁷ From DOLLARS AND CENTS. (1860, August 7). The Currency. *British Colonist*, p. 3.

every light one tendered, or will he not rather charge the possessor with the deficiency of weight in addition to the usual seigniorage?

If (according to the authority of Robt. Hunt, keeper of the mining records) three to four per cent is a fair allowance for the natural wear of the coins of Great Britain, which are constantly being replenished, what then will be the ultimate loss on our sterling coins by the time we have a mint?

Our commission merchants already complain of the high prices affixed to their foreign invoices, which is chiefly owing to the risk and delay attending sales in a new and distant country, but to the present exorbitant figures we think it more likely that the Liverpool merchant will stick on an *additional percentage* when he learns that his consignments to Vancouver Island are paid for in a debased sterling currency.

Regarding the other clauses of the Currency Bill in its modified form, lacking information, we cannot offer an opinion, but we rather think that the dollar and cent have not been admitted as legal *money of account* which, after all, is the desideratum most wanted in a currency bill for Vancouver Island.

“A great source of inconvenience”²²⁸ (April 29, 1861)

Everyone, who has not forgotten the abortive attempt made by the government in 1859, to supplant the dollar by over-valuing the sovereign in all transactions at our Treasury, must regard the recent importation of British silver coins, as evidence that a renewed attack is meditated on our decimal monetary system. Under such circumstances, we would direct attention to the condition of our inter-colonial currency. The difficulty of adjusting the sterling divisions of money to the monetary systems of other nations, is one of the most cogent arguments in favor of a decimal currency. This inadaptability of the sterling system has been a great source of inconvenience to nearly all our colonies. Australia is perhaps the only exception. But the adoption of a sterling currency there, was dictated by necessity rather than choice; for while yet in her infancy, the intimate relations of that colony with the mother country, from whence were received the elements of existence – population, capital, and supplies – and where all the golden produce of her mines was sent, rendered the coincidence of the sterling medium of exchange unavoidable. In the adoption, therefore, of the sterling system by the Australian colonies we must not see the workings of a sentimental feeling of loyalty, but simply an *inevitable commercial result*. Similar causes – our intimate commercial relations with the United States – have been at work in our own colony, and have led to the adoption of the American standard value of coins, with a decimal currency.

But will this importation of British silver coins have the effect of giving popularity to the sterling system here? Certainly not. The coins will be made to conform to the money of account most generally in use and will take a place in the decimal scale. The *florin* will pass current at 40 cents; the *shilling*, which has hitherto enjoyed a complimentary value of 25 cents, will pass current at 20 cents; the *sixpenny*

²²⁸ From The Currency. (1861, April 29). *British Colonist*, p. 2.

as 19 cents; and the *fourpenny*, of “Maundy money” of Great Britain, will pass current as “post office money,” at 5 cents. At these rates the new coins will be convenient fractions of a dollar, and if they are constantly replaced, may be useful in our circulation; but the premium thus offered is sufficient to make the coins a prey to the exporter. The *florin* being intrinsically worth 43 cents, the shilling 217 mills, and the sixpenny 108 mills, the exporter will gain from 7 to 10 per cent. on the transaction.

If the obstructive coins are taken by our merchants at the above rates, they will rapidly disappear in the crucible; the inconvenience arising out of the innovation will be small; and the *moral* inculcated will be this: that inflexible commercial laws cannot be overturned by the erratic dicta of a government official. The erroneous par betwixt British and American gold coins which we pointed out nearly two years ago, and which has since been corrected at the government offices here, still exists in British Columbia. Instead of profiting by the knowledge and experience of the Colonial Assayer at New Westminster, who could have adjusted the inconsistencies at the Treasury a year ago, we find the government officers still adhering to the fictitious par of \$5; while the Assay Department declares by the stamping of gold bars, that the intrinsic par between British and American coin is \$4.85. A glance at figures will make this apparent. An ounce of British standard gold (22 carats or 916ths fine) represents at the Royal Mint £3 17s. 10½d., in coin. At New Westminster the same ounce of gold is stamped \$18.94. The intrinsic value of the sovereign, therefore, is equal to \$4.86 [sic.] in American money.

Let us see how this misrepresentation of value at New Westminster affects the miner. Suppose that a miner wishes to convert into money a gold bar stamped by the government assayer – “one ounce 916ths fine, value \$18.94” – what intrinsic value will he receive in exchange? The value stamped on the bar (\$18.94) reduced to sterling money at the government par of \$5, gives £3 15s. 9½d. This sum will be paid the miner in thirteen sterling coins, which are intrinsically worth as follows:²²⁹

3 Sovereigns	\$4.860	\$14.58
7 Florins	\$0.434	\$3.038
1 shilling	at \$0.217	each \$0.217
1 sixpenny	\$0.108	\$0.108
1 fourpenny	\$0.072	\$0.072
Intrinsic value which the miner receives		\$18.015
Intrinsic value stamped on the bar		\$18.940
Difference per ounce	92 cents or 925 mills	\$0.925

Thus the miner, by converting his *standard* ounce into British Columbia *standard* coin, receives a lower value by nearly 5 per cent. Gold against gold, the miner would receive about three per cent. less, by exchanging his bar for coin at New Westminster, than at Victoria. In other words, a gold bar stamped \$18.94, will bring £3 17s. 10½d. at Victoria, and £3 15s. 9½d. at New Westminster. These numismatic experiments of the Treasurer of British Columbia, may be very healthy to that

²²⁹ I've made a slight correction in the table below. The original read \$15.580 for the value of the three Sovereigns, but 3 x \$4.86 = \$14.58.

gentleman as mental exercises, but we must not forget that ere long the mercantile interests of British Columbia will have to pay for his system of metaphysical hygienics.

“Annexation and a mint”²³⁰ (Oro, October 12, 1861)

In glancing over the resolutions offered in the House of Assembly by Dr. Tolmie, I think two important items have been omitted. The first is in reference to the permanent union of Vancouver Island with British Columbia. Secondly, the importance of having a Mint established for the above-named British possessions.

As regards to the first no argument can be required to convince any sensible man that the interests of Vancouver Island and British Columbia are one. A union between the two would completely demolish that unfounded jealousy existing in the minds of a few individuals who have no formidable arguments to bring forward against such a desideratum.

As regards the second item, I believe the Home Government could, at a cost of about £5,000, establish a Mint – say at New Westminster. Why should not the dust be coined here and circulated, instead of going down to San Francisco for that end? I conceive that such an establishment would by no means be a speculation; but on the contrary, a certain and profitable institution. It would provide an immense saving to the miners, prevent a scarcity of coin, keep the money in the country, encourage emigration, and probably introduce many newcomers to buy lots and thereon establish their homesteads. Moreover, it would act as a perfect safety-valve touching the Nez Perces mines, which have many times got the credit in San Francisco (and through their newspapers circulated abroad) of British Columbia gold dust, in consequence of the steamers sailing *via* Portland.

I will not venture to say more, as you are far more familiar with the bearing of these matters than myself.

“Politics”²³¹ (November 4, 1861)

The resignation of Mr. Waddington is quite an event in our history. It is with regret that everyone mentions his withdrawal; not that they agree with him that the conduct of the Assembly rendered it dishonorable to hold a seat therein, but because the country at large loses a faithful public servant. No man ever had the prosperity of the country more at heart, no one ever wished to see things done more according to English usage than he. But in both, he has been thwarted by the short-sighted tyranny of a paltry party.

That Mr. Waddington had his faults, we neither have the wish nor the intention to deny. But if he had faults, some of his peers in the House had vices – a thing which he had not. With all his faults, everyone regarded him as “an honest old man,” a hard-working member, and one who would not spare himself to serve his

²³⁰ From ORO. (1861, October 12). Annexation and a Mint. *British Colonist*, p. 2.

²³¹ From Politics. (1861, November 4). *British Colonist*, p. 2.

constituents. His opposition as governed by principle, not by personal hatred, and he is consequently so much the greater [a] loss.

Whilst we are not insensible to the value of Mr. Waddington, nor to the noble stand he has made time and again in defense of right and reform, still we do not wholly agree with him in retiring from the House. Were we to give due consideration to the personal feelings of the honorable gentleman, which have so often and *so lately* been offended, we might concur with him that his withdrawal was right; but we overlook the private man, and see only the public servant, and seeing only the latter, we believe he should have stuck to the ship whilst there was a shot in the locker, or whilst two timbers stood together. A man who obligates himself to discharge a public duty, and who possesses the confidence of the country, should sacrifice his personal feelings to serve his country. There is a period, however, when men of honorable and highly sensitive natures become disgusted with the senseless conduct of an Assembly majority, and they retire from the “dirty pool,” trusting to the causes of their withdrawal for the country to justify them. Doubtless some such were the motives that governed Mr. Waddington. At any rate, we sincerely regret his retirement.

The immediate cause of Mr. Waddington’s retirement, as we understand it, was the unfortunate ending of the discussion about a Mint, an institution much wanted. After every inquiry into the merits of the matter, we cannot but conclude that there was something radically wrong, at least un-parliamentary. The retirement of Mr. Waddington cannot, consequently, but be very damaging to the Government in public estimation, and still more damaging because it arose from a question which ought not to have taken a party phase; and because it was one in which both Colonies felt a very deep interest. Besides this, there was a clear majority against it, and a vote would have settled the question a dignified way. It is urged that the general impression was that Mr. Waddington retired from the discussion. Having done so on former occasions, it gives color to the impression. Be that as it may, there is still evidence enough that the debate was concluded in a very irregular way.

It will be difficult to find a man in either party who can fill the retired member’s seat as ably as he has done; and we certainly think that the electors of Victoria District cannot do better than re-elect him. We would not make such a recommendation, did we suppose that Mr. Waddington was not honest in the opinion that he was treated in an un-parliamentary manner. If we thought otherwise, we would repudiate him, or any other public man who would resign his seat to create a sensation, and we would serve out the same treatment that we would to a balky horse.

“Coining money”²³² (November 7, 1861)

Fully a million dollars in gold dust has arrived in our market during the last month. So common has gold dust become that the market is glutted. No one will buy it, or but very small quantities can be sold. The reason for this is simply that there is not coin enough in the country to purchase it. Buyers would be numerous enough

²³² From *Coining Money*. (1861, November 7). *British Colonist*, p. 2.

were it not for this cause. The miners are put to serious inconvenience for want of a medium of exchange, and they have to put up with this inconvenience or go, or send their gold dust, to San Francisco. We have been pestered with the questions: "Why don't you pitch into the banks?" "Why don't you call upon Government to establish a mint?"

In answer to the first question, we have to say that we have no more right to pitch into the banks to make them exchange their coin for gold dust than we have to pitch into them to exchange their coin for the potatoes of our farmers. Both are commercial commodities, and we prefer to let bankers, like other people, buy what they please or do what they please with their money. The real truth of the whole matter is, that our bankers, like everybody else, have not money to spare from the ordinary transactions of trade. In answer to the second question about the establishment of a mint, we have to reply that no government mint could be established here soon enough to afford relief during the present glut of gold dust; consequently there is no use whatever in recommending the establishment of a mint with the object of accommodating the miners at the present time.

In view of the yield of gold another season, it may be well enough to bring the question under notice. There cannot be a doubt in anybody's mind that enough gold will be taken from the mines next year to warrant the establishment of a small mint. But whether we shall get a mint, that is a question too problematical for us to solve. From the manner in which the discussion on the mint ended in our Assembly, we should infer that we will not, and, consequently, some other expedient will have to be resorted to in order to supply the country with coin.

Coining money is simply manufacturing money. Hitherto we have been content to produce the raw material, and ship it abroad for sale or to be manufactured into coin and returned here. The whole question, then, resolves itself simply into the fact whether it would be cheaper for us to export raw gold, or encourage the manufacture of gold into coin here. The general opinion of experts appears to be that, basing calculations on the amount of gold-dust hitherto received here, it would be cheaper to export our gold than coin it at home. In other words, the cost of transportation to San Francisco and costs of sale there on our annual yield of gold, would be less than to have it coined here by a cumbrous and costly Government staff of Mint officials. We have not the space nor intention to examine into the *pros* and *cons* of this conclusion at this time. Hereafter we shall deal with it.

We may as well, nevertheless, bring under notice a few things that deserve consideration if a Mint be seriously contemplated – and we can perceive no good reason why it should not.

In the first place, if a Mint be established in these Colonies, it should be established at Victoria, and nowhere else. Grant that a Mint be established at New Westminster, and the consequence is a derangement, or at least there would be serious inconvenience to the commerce of the country. The commerce of the country is not centered at New Westminster. It is centered at Victoria. The up-country merchants don't buy at New Westminster – they buy at Victoria. They buy on credit here, not there. If they set down gold-dust to pay off, it would have to be sent back to

New Westminster for coinage, and then returned here. Thus, three passages would have to be made when one direct passage to Victoria would answer every purpose, and, moreover, the gold would be at its proper destination if it was coined here, where it could be employed, and where it could not avoid being chiefly accumulated. If it be urged that it may be stopped at New Westminster and coined, we urge that merchants usually want to realize as quickly as possible, and they cannot wait for the slow motions of a Mint, nor be put to the trouble of hunting up advances on certificates of gold lodged for coinage there. For this reason, if it must be anywhere, it should be here. For the same reason the Gold Escort ends short of its true destination. Here should be its headquarters. A loss of one, two or three weeks may occur in the shipment of gold abroad, simply by the Gold Escort not coming through at once to Victoria on the same line of steamers that brings it to New Westminster. Merchants lose the interest, and loss of interest will teach them to employ private expresses, not public ones.

In the next place, the coinage should be a decimal currency, and not in sterling money. Our money of account is kept in a decimal currency; will be kept in a decimal currency; nothing can prevent it. Our largest trade being with the United States, the money of account will be the same here as there. If we were to coin sovereigns and their fractions, there would be such a loss on the coinage when put in circulation that it would not be tolerated by commercial men, and the gold-dust would be exported abroad. If we think of coming money here, when we are assured that we have enough raw gold to warrant an expensive Mint, then these two points will have to be considered precedent.

We have said that some other means might be provided to create a circulating medium without a government mint; we certainly think so. In the early days of California, Moffat & Co. and Kellogg obtained licenses to coin money and stamp it with their own names. The same thing might be done here if our Government is willing to meet the circumstances. Were there no doubt about a government mint paying, yet with all the pushing it would be a year and [a] half before it would be established. If a private mint can be established, and the community willing to take the coin, we see no reason why someone should not engage in the business. The question of the government monopoly of coinage is not worth consideration. Practical considerations show that a large circulating medium could be created here, and universal accommodation be provided; and that, we believe, ought to be sufficient to induce Government to grant a license here [to] private parties to coin money, stamped with their names. If such were done there would not be much greater danger of loss to the country than by assaying gold and stamping the bars – and they pass current.

“Gold bars”²³³ (Cambist, November 8, 1861)

As the present inconvenience attending the exchange of gold bars for coin is misunderstood by many, it would be well to afford information on the subject, so that buyers and sellers may be placed on a proper footing.

The inconvenience referred to, arises not so much from a dearth of coins as from a disinclination on the part of the miner to sell his bars at the nominally high rates at present ruling.

One circumstance appears to be lost sight of, namely that the Assayers, both here and at New Westminster, stamp a fictitious value in dollars and cents on the gold bars. In both places they have adopted the par value of the United States Mint and stamp the bars accordingly, but without stating what value is intended, which is a mere delusion.

In the absence of any defined value on the New Westminster ingots the miner is generally under the impression that the figures represent the value in dollars and cents at the New Westminster Assay Office, and he reasons, very properly, that his bar should command a premium in Victoria. This over-valuation of nearly 3 per cent. (the expense of replacing the bar by coin from San Francisco) has the effect of seriously impairing the negotiability of gold bars in our market even when coin is abundant.

The duty of an Assayer is completed when he has described the weight and fineness of a bar. He knows nothing of its value, which, like that of any other commodity, is governed by supply and demand in the market. But if, for the convenience of the public, he should stamp a value on the bar, the nature of such valuation should be clearly expressed.

It is hardly necessary, I think, to point out to the government the necessity for some alteration in the system of stamping the government ingots. The present system, if pursued, will result not only in a reduction of business at the Assay office, but in a periodical emigration of many wealthy and industrious miners.

“Facts which are not facts”²³⁴ (Assayers, November 12, 1861)

In your Friday’s paper, under the signature of Cambist, is an article on gold bars, which among its ramblings, states some things for facts which are not facts, and in trying to put buyers and sellers on a proper footing for understanding the difference between the stamped value of the bar and its equivalent in coin, knocks the footing clean from under them, and leaves them to wallow in a worse mystification than ever.

The stamped value of the bar is the footing on which to stand. That it does not bring that value in exchange for coin, is not because the value of the bar is less than what is stamped on it, but because the value of coin is greater here than at the place whence it comes, and the reason why it is greater here is because there being no

²³³ From CAMBIST. (1861, November 8). Gold Bars. *British Colonist*, p. 3.

²³⁴ From ASSAYERS. (1861, November 12). Gold Bars. *British Colonist*, p. 1.

manufactory of coin here, the coin has to be imported at a cost equivalent to the discount charged on the bars. The discount on the bars, or (which is the same thing) premium on coin, increases with the increased demand for exchange of one for the other.

That the stamped value of the bar is correct is proved by the receipts of the bars by San Francisco banker at their stamped value, and by the temporary demand, sometimes bringing a premium. For instance – par at San Francisco varies from 850 to 900 fine. Now a bar, say 825 fine, sold in San Francisco, where the par there is, say 850, would bring a premium of $\frac{1}{4}$ per cent., or if a bar was 850 fine and the par at San Francisco was 900 fine, it would bring a premium of $\frac{1}{2}$ a cent.

The discount on bars here now is attributable to nothing but the scarcity of coin. The disinclination of miners to sell is only natural, but has nothing to do with the high rates of exchange. By the rule of supply and demand, if they were more inclined to sell, the discount would be still greater.

In Sacramento, 174 miles from San Francisco, connected with it by daily lines of communication, bars sell at from 1-4 to 1-3 discount. Why? Because it costs so much to get coin from San Francisco, where it is manufactured.

Why should a miner reason that because his bar is stamped so much at New Westminster it should be worth more in Victoria? He would reason backward if he did so reason. Cambist reasons about as well when he gives this as his opinions of a miner's way of reasoning.

Cambist must have forgotten his arithmetic, when he finds a difficulty in negotiating bars because a certain percentage has to be deducted from a value stamped on them.

If anybody does know the value of a bar, it is the Assayer. It is his special business, for which he receives a certain percentage. Not only his townsmen who look up to him to say how much exactly is the value of the bar, but if he is honest and faithful, the receivers of the bar in far off places look to him for its value. When it passes from his hands its stamped value is as current for its value, as if it was a Bank of England note. How could an Assayer stamp a value on a bar which to-day might be its exact value exchanged for coin, and to-morrow might not? It would be ridiculous, and Cambist must have stood on his head and reasoned from the top downwards, to have got up such a mess as that article of his. The government should take C. into its service at once, and have him up at the mind perched high on a stool and let him call out "Bars to-day $2\frac{1}{2}$," "Bars to-day 5," and stamp them accordingly, or the reduction of business will be alarming and the emigration also.

Get on your feet, Cambist, and begin your reasoning from the proper bottom before you attempt to enlighten miners and assayers.

“The coin question”²³⁵ (November 9, 1861)

In consequence of the prevailing scarcity of coin, a number of persons waited, by invitation, upon Governor Douglas yesterday and had a conference with His Excellency on the subject. The want of a mint was freely canvassed, and some conversation was held on a proposition to coin \$5, \$10, and \$20 pieces, but nothing definite was arrived at. We understand that a meeting of merchants will be called in a few days, when some definite project will be laid before them.

“The mint question”²³⁶ (November 21, 1861)

The last *Columbian* [November 14, 1861] thinks our remarks upon the Mint question both “extraordinary and absurd.” Of course it does. We never expected it to arrive at a different conclusion. It is too patriotic to see any other suitable place where a Mint could be located except New Westminster. Had it been published here three years ago it would doubtless have advocated the doctrine of Gov. Douglas’ proclamation that there was “no convenient place for a port of entry near the mouth of the Fraser,” and, consequently, Victoria was the only place. We differed with such high authority, and a few months after a “convenient” port of entry was found at Queensboro’. We differ now with Gov. Douglas and the *Columbian*. We hold that Victoria is the proper and only place where a Mint ought to be established. If water-power were absolutely necessary to propel the machinery of a Mint, and if the capacious Fraser were the most convenient water-power, why we, of course, would concede the correctness of the conclusions of our contemporary, and consent to see a Mint established there. Or if the commerce of the country were centered at New Westminster, we would offer no objections to the selection of that place. If experts in coining money could not be had out of New Westminster, of course we would submit to the necessity. But it so happens that [the] Fraser River is not required for water-power, neither is commerce centered anywhere but here, and as for manufacturers of coin, they can be had elsewhere. Under such circumstances we cannot perceive that New Westminster has a solitary advantage to recommend it to public favor in reference to the establishment of a Mint there.

When Gov. Douglas told the gentlemen who waited upon him by invitation to consult about the coinage question, that it was impossible to have money coined except at New Westminster, he was only following out to the letter the mistaken and injurious policy which he has encouraged of keeping these colonies separate and distinct. Had he, in 1858, used his influence to have united them together, the political and commercial interests of the whole country over which he presides would have been much more advanced than they are to-day. If the colonies had been united, such an absurd idea as selecting New Westminster as the place for a Mint would never have been uttered, except by someone requiring the services of a straight-jacket. One might just as well think of erecting a manufactory as far away from the

²³⁵ From THE COIN QUESTION. (1861, November 9). *British Colonist*, p. 3.

²³⁶ From The Mint Question. (1861, November 21). *British Colonist*, p. 2.

point where its manufactured staples were to be consumed as to suggest any other place than Victoria as the proper locality for a Mint, however humble its proportions might be. No manufacturer would think of selecting a place for his manufactory which would neither accommodate his customers nor enable him to produce the manufactured article at the lowest [cost] of production. Yet such is the policy that Gov. Douglas encourages. Such is the idea that our contemporaries work upon.

The raw gold it is proposed to coin into money where it will not be convenient to the commerce of the country, but where the delays, commissions, risks, and freight upon it will unavoidably and unnecessarily add to the cost of the money coined. This may be political economy; but it is a very different system from any that is current elsewhere. It may be statesmanship; but we are so obtuse that we cannot see it. It may be an accommodation to the commerce of the country; but we would like to see the merchant who admits it to be so. New Westminster may be the cheapest place to coin money; but no one will believe it. Let a Mint be established there, and it will only be like most of the work of the Government: it will have to be undone. Government will have to pursue its crawfish policy, and back out as it did out of the mule-tax²³⁷, and in the end will have to commence the coinage of money here as the only suitable and proper place.

“The mint”²³⁸ (March 7, 1862)

Mr. Claudet, of the New Westminster Assay Office, returned from San Francisco yesterday with the necessary apparatus for making coin. The dies will be up by the next steamer, and it is expected that the mint will be in operation before the 1st of May next.

“Assay offices”²³⁹ (April 26, 1862)

Two new assay offices will shortly open here – one by Mr. Mollitor, in connection with Messrs. Livingston and Co., bankers, who are now doing business in California; and the other by Wells, Fargo & Co.’s Express. The new brick building now in process of erection on Yates Street, nearly opposite Waddington Alley, will be devoted to the uses of a banking-house and assay establishment by Mr. Mollitor and Messrs. Livingston & Co. will erect a suitable building at the rear of their present structure. The public will no doubt receive with much satisfaction this piece of news, as they will be guaranteed in future entire immunity from the recurrence of any such disreputable affairs as the Marchand embezzlement.

²³⁷ An unpopular tax to pay for the cost of a road to the gold fields.

²³⁸ From THE MINT. (1862, March 7). *British Colonist*, p. 3.

²³⁹ From ASSAY OFFICES. (1862, April 26). *British Colonist*, p. 3.

“Royal Mint”²⁴⁰ (June 2, 1862)

The machinery of the Royal Mint at New Westminster has been tested and found to give entire satisfaction. Specimens of the coin are expected to be forthcoming in a few days.

“Reciprocity”²⁴¹ (June 3, 1862)

Our Legislative Assembly is the most amusing specimen of imbecility which it is possible to find anywhere. No matter how important the question is – in fact, the more important the question – the quicker it is settled. Some two-penny thing that could be settled by a couple of old women over their tea, occupies our Solons sitting after sitting, and week-in and week-out. When Mr. Waddington brought forward his motion for a mint, it was settled in a jiffy. No sooner was his back turned than the discussion ended, and a mint [was] denied to Victoria. Yet within a week the establishment of a mint at New Westminster was resolved on by Gov. Douglas – a place where it cannot be of as great convenience to the commercial community, as it would have been here. But our commercial interests were sacrificed to imbecility then, and they promise to be so still.

“The Mint”²⁴² (October 7, 1862)

Some time has now passed since the public were informed of the erection in New Westminster of all the necessary machinery for coining money. Expectation was naturally excited that nothing could prevent our having the gold brought down from the upper country by the miners this year transformed into bright ten and twenty dollar pieces. This would have been the case had the same preparations been made in any other country – “they manage things better in France.” But our rulers have a way of doing business quite peculiar to themselves. They see nothing strange – nothing ridiculous – in importing a costly machine, providing a staff of officials drawing good round sums for their salary, and contenting themselves with showing what could be done if they felt disposed to do it.

With the exception of striking off a few specimens of coin – which, by the way, compare very favorably with those of any other country – this costly toy seems to have hitherto served no other purpose than to tickle the vanity of those who are contented to take the shadow for the substance. All governments have chosen to make the coining of money a monopoly to be reserved to themselves, but for the convenience of the public. Nothing can justify them in refusing to exercise the privileges they thus retain. They have no shadow of right to prevent the public from receiving all the benefits which the coinage of money necessarily produces. Intrinsically, gold or silver is worth as much in the shape of a bar or lump as in the form of coin; but as a medium

²⁴⁰ From ROYAL MINT. (1862, June 2). *British Colonist*, p. 3.

²⁴¹ From Reciprocity. (1862, June 3). *British Colonist*, p. 2.

²⁴² From The Mint. (1862, October 7). *British Colonist*, p. 2.

of exchange we all know the difference in value is on the side of the manufactured coin. Coin is the most convenient form for the purpose of trade. No one can doubt, therefore, but that it would be a great advantage to have the produce of our mines converted into money.

We have not the slightest doubt but that a great deal more money would be expended in the country if miners could readily, and without loss, convert their dust and nuggets into coin, as they are not then restricted in their dwellings to brokers alone. As things are now, a great many prefer to carry their dust to San Francisco and save the exchange. Of course, there are many who will urge that you could not get men to wait in [New] Westminster to get their gold changed. There may or may not be some truth in this objection. We shall not stop to argue the question. But why, we ask, are the people of this colony compelled to depend upon New Westminster or San Francisco for their coin? What is to prevent the establishment of a mint in this city?

The absurdity of the arguments advanced by several members of the House of Assembly when debating this question last year, is becoming every day more apparent. That short-sighted one-idea policy is behind the age. No country ever yet rose to eminence whose rulers or statesmen were animated by such narrow-minded principles as at times have characterized the conduct of our Legislators. If they had done their duty, we would, no doubt, ere this have had in the city all those facilities for coining money which we are justly entitled to, and which we require quite as much as Westminster, if not more so.

Although [on Vancouver Island] we are at present under a different form of government from that of British Columbians, yet our interests are the same. We must, from our situation, be the channel through which they approach the outer world; through which all their merchants must derive their supplies. Our position as a place of trade must be a matter of as much moment to them, as it is to us. Whatever facilities our commerce contributes to our prosperity must, from our very proximity, benefit them. We are not their rival, but their friend. But not only are we necessary to them, as a port of supply and distribution, but we must become equally so to the whole of this north-west coast.

Victoria, and not San Francisco, is destined to become the commercial emporium of Oregon and Washington Territory. Even now, though politically we are distinct from these countries, yet commercially our interests are identical. From our position and our policy we must eventually become the great center the *entrepot* in which their merchants will deal. Already they find it to their advantage to buy some descriptions of goods here in preference of going to the more distant and dearer market of San Francisco.

We must seek to extend the facilities for trade which nature gives us. We must have a mint, not only for the mines of Cariboo, but for those of the Columbia and Salmon Rivers. The yield of gold from both these sources will justify the step. We must not look to the present only; the future must claim our attention as well. We must coin for the Americans as well as for ourselves; by making our coin the same

standard value as theirs, the principal obstacle may be removed, and our coin and their own be equal [sic.] current.

But in the meantime, the authorities in Westminster should do their share towards putting money into circulation. The gold of Cariboo will shortly come down in large quantities, and every facility must be afforded for converting it into coin. We feel confident that a most beneficial effect would result from that course of proceeding.

“Our currency”²⁴³ (October 28, 1862)

We have noticed the prevalence in this colony of a practice which might possibly be productive of some inconvenience; we allude to the fact that on a great many contracts made in this place the consideration money is specified to be paid in dollars and cents, of U. States currency. Practically, dollars and cents are our principal denomination of money; in fact, almost entirely excluding pounds, shillings, and pence. The relative value of the two descriptions of currency is well known amongst us. Yet we are not aware that any legal enactment has ever positively declared or recognized the dollar to be a denomination of our money, or specified its value.

As the dollar is the name given in several countries to a certain description of money, and as the value in each place varies somewhat, we are consequently driven to the expedient, when we make use of the term in legal documents, of particularizing what we mean by it. If we speak of American currency, is there not some danger under existing circumstances of giving rise to disputes? Ten dollars in American currency may now mean a Treasury Note for that sum, since they have been made a legal tender in the States. Of course no one here ever contemplated being paid in United States paper; yet is there not a possibility of such a contingency, where a contract specifies the payment of a certain sum in American currency?

Some have provided against that by declaring the debt payable in American gold coin. Such a course, we think, is the advisable one. It is far better to provide against the possibility of any trouble by some such provision, than to leave a loophole for tricksters and litigation. If it were decided by our courts that the words “one hundred dollars” of the currency of the United States, mentioned in a contract, meant the coin or currency of that country for the time being, and not an equivalent sum in our own currency, one might expect to see the “greenbacks”²⁴⁴ introduced in our midst. One can perceive, then, how necessary it is that the relative value of the terms dollars and cents should be fixed by law. The Governor’s proclamation, we imagine, would be quite sufficient to render legally certain what is now only a custom.

²⁴³ From *Our Currency*. (1862, October 28). *Weekly Colonist*, p. 5.

²⁴⁴ United States paper money. This article was published during the U.S. Civil War of 1861-1865.

“New Westminster branch”²⁴⁵ (November 26, 1862)

The *Columbian* in its last issue, had an article headed, “the coin question,” in which Gov. Douglas is handled without gloves for not putting the Mint machinery in operation, and discourses about the scarcity of coin:

“There was undoubtedly a temporary mitigation of the evil from the operations of the Bank of British Columbia. This establishment, however, is about to close for the season, *not from lack of business*, we are assured, *but from lack of coin with which to purchase gold*; and thus the grievance will relapse into its original shape, if anything intensified from the temporary relief we have experienced.”

We have italicized those portions of the editorial relating to the Bank of [British] Columbia, in order to disprove what the *Columbian* has stated. If the Branch Bank at New Westminster is giving up, it is “lack of business,” not “lack of coin.” We know for a certainty that the Bank here has had \$100,000 in coin in its vaults, and was fully prepared to do business at New Westminster if the business was there to be done. Besides that, the Bank has been almost the only large holder of coin in the country. We hope the *Columbian* will note this fact, and not unwittingly represent a scarcity of coin where it does not exist.

“If it has given gold, it has given nothing else”²⁴⁶ (April 4, 1863)

The last year has not been wholly unchecked with failure to the twin colonies of Vancouver’s Island and British Columbia. The extraordinary riches of the gold mines at the remote station of Cariboo have tempted the miners to crowd thither, passing over a large intermediate tract, less prolific of gold, but more temperate in climate, and better provided with the necessaries and comforts of life.

Cariboo has certainly borne out the expectations of its admirers; but if it has given gold, it has given nothing else. The spring commences very late, the winter begins very early and with much severity, and labor during the short summer has been much interrupted by the action of floods and freshets. Shelter and food have been enormously dear. The distance to be traversed is very great, the labor unusually harassing and arduous. Though, therefore, many miners have reaped the reward of their patience and steadiness in the shape of an ample return for their labor, many more, less robust or less enduring, have come back disappointed and discouraged.

It is curious to note the state and prospects of the town of Victoria, in Vancouver’s Island, under these circumstances of comparative adversity. Building is enormously on the increase; three excellent hotels and many boarding-houses have already been erected and are full to overflowing. Instead of a single ship with a general cargo sent by the Hudson’s Bay Company once a year, the ships are lying three deep at the crowded wharves, many of them of considerable tonnage; new

²⁴⁵ From NEW WESTMINSTER BRANCH OF THE BANK OF BRITISH COLUMBIA. (1862, November 26). *British Colonist*, p. 3.

²⁴⁶ From On the vast American Continent. (1863, January 28)). *London Times*, p. 8. A portion of this article was re-published on page 2 of *British Colonist* of April 4, 1863.

warehouses are in the course of erection, which are filled as fast as they are finished with English goods. The town is evidently becoming, not merely a resort for the miners of British Columbia, but a great depot and center of commerce, whence it is distributed from Sitka on the north to San Francisco on the south, and at least as far westward as the Sandwich Islands. Emigrants are flocking in from the States and Territories of the United States which lie between the Rocky Mountains and the Pacific Ocean. A company has been formed for curing salmon and herring, and already the art of making Yarmouth bloaters has taken firm root in these remote regions. The town is steadily growing beyond the capacities of its harbor, and a railway is contemplated to unite it with the splendid basin of Esquimalt, at three miles' distance. The neighboring country is being filled up by settlers. Two breweries, a soap factory, a sash and door manufactory, and a tannery are in operation, and the town is lighted with gas. Land is rising in value proportionably; the owner of a lot which cost fifty dollars in 1858 refused thirteen thousand dollars for it the other day, and this is by no means an extreme case. We hear of a contemplated Commercial Exchange, a Marine Insurance office, of horse races, a theater, a German Glee Club, and a Philharmonic Society. A new organ has been bought for the oldest Episcopalian church, another church has been built, and there are good Protestant and Roman Catholic schools for boys and girls, and all this in a place which was little more than a hamlet four years ago, and which is actually suffering from a partial reverse in that branch of industry on which it principally relies.

Among the exports of the colony furs occupy, as might be expected, a very prominent place. The monopoly of the Hudson's Bay Company has been abolished and the trade thrown open. The competition of buyers has of course enabled the Indians to obtain a higher price for their furs, but the corresponding evils which were foreseen and were predicted have not failed to accompany this advantage. The Indian is often deceived in the quality of his goods, and the competition of purchasers of furs induces them to offer the fatal but irresistible "fire-water" in exchange. Hence a great loss of Indian life in feuds induced by drunkenness and the demoralization which follows it. The hunting race is threatened with diminution, and possibly with extinction.

A like fate seems to hang over the fur-bearing animals themselves. The regulations of the Company were directed to the preservation of the creatures yielding a more costly kind of fur, and of the females during the breeding season; but these are now disregarded; it is nobody's interest to preserve that which they cannot expect to enjoy, and thus it seems more than probable that this application of free competition to a subject to which it is not properly applicable will end in the extermination of the animals which inhabit these vast solitudes, and of the Indians who hunt them, without providing anything to supply their place.

Hides, fish oil of a very superior quality, and salted salmon are among the new exports, and gold is said to have been produced during the last year of the value of 600,000*l*. But the erection of a Mint at New Westminster, the capital of British Columbia, instead of at Victoria, illustrates the strange error that was committed in dividing what should have been one colony into two. Victoria is the port through

which almost all the trade, not only of Vancouver's Island, but of British Columbia, is conducted. The miner has no business at New Westminster. It is to Victoria that he goes to make his purchases or to take his passage, and there he would gladly leave his gold dust, receiving in exchange the receipt of the Mint, which is as available for expenditure as a Bank-note; but this he cannot do, because there is no Mint at Victoria, and because the jealousy between the two colonies throws difficulty in the way of a change. This is a question for the Home Government, and we should have thought that, if matters are as represented, it was just the case in which the Home Government ought to interfere.

“Why should not Victoria have a mint?”²⁴⁷ (March 10, 1863)

The immense riches of our British Columbian gold fields may now be said to be a fixed fact. Everything tends to prove it to a demonstration. The expectations of even the most sanguine are every day becoming realized. The golden tide has commenced to roll downward in a deeper and heavier stream. That it will continue to increase in volume, there cannot be the shadow of a doubt. The golden colony of the North – for such British Columbia may claim to be – will shortly reproduce the palmy days which characterized the first yield of her southern sister. We then must make such provision to meet this golden harvest as have been made elsewhere. As Victoria is the depot from whence these colonies must continue to receive their supplies of goods, to this city of course, the wherewithal must come to pay for them. The chief return to be expected from the upper country will be the produce of the mines. But gold dust will not be likely to remain long in the country unless converted into circulating medium – into coin. The means of coining the yield of our mines should be at our disposal. We may take a good lesson in this respect from the policy of our neighboring republic. There, every facility is afforded for enabling the produce of the various gold miners to be changed into money. Branch mints are established in all the gold-bearing States as soon as their productiveness becomes apparent. Nor do these establishments confine themselves to the duties of mere assayers, like our so-called mint at New Westminster. On the contrary, they are what they profess to be, one of the greatest conveniences a mining country can have.

We perceive by our last American news that even the Territory of Nevada is to have a branch mint. Now, surely, we ought by this time to be able to perceive that it is not without good reason that the United States Government are thus liberal in conferring upon so many places the facility of manufacturing the precious metals found in the neighborhood into that shape in which it will render most service to the community. They have found the system to work well, and therefore extend it. Manufacturers, trade, mining, and every other branch of industry are thereby promoted. Gold, instead of being locked up in the shape of bars, is circulating from hand to hand in the shape of money. So it ought to be with us. The gold dust of British Columbia, instead of being converted merely into bars by the assayers of New

²⁴⁷ From WHY SHOULD NOT VICTORIA HAVE A MINT? (1863, March 10). *British Colonist*, p. 2.

Westminster or Victoria, and thence shipped like so much raw material to San Francisco to be coined by the mint there, should be manufactured here. Were this the case there is no doubt but that a much larger portion of it would remain in the country. If we wish to derive from our mines the advantages San Francisco does from those of California, we must endeavor, so far as it lies in our power, to take the same steps she has done to secure this object. Whatever facilities she affords to miners for most profitably disposing of their gold and at the same time making it most useful to the community, we ought also to afford to those who are developing the wealth of our mines. If we aspire to be what nature seems to have destined us for – the commercial emporium of the North Pacific – we must leave nothing undone which would tend to advance us towards that position.

The establishment of a branch mint in Victoria would for a certainty contribute much to this object. We are already the center of trade for this part of the world – we must then have the means at hand of manufacturing money to facilitate that trade. We must not continue dependent upon a foreign country for our circulating medium. We have the material to manufacture our own, and ought to do it, and avoid the serious consequences in this respect, which a rupture between our Government and the United States might at any time cause. It may be said we have a mint at New Westminster. It is true we have one, but of what great use is it? At present it performs no office that could not be done equally as well by the assayers of this city. Besides this, New Westminster is not likely for a long time to come to present any sufficient inducement to miners to cause them to make it their winter residence when they choose to come below. Apart from commercial reasons, these considerations alone are in favor of our having a branch mint located in this city.

“Mint”²⁴⁸ (March 21, 1863)

The feeling is growing stronger every day in this city as to the necessity for the establishment of a Mint here. No other place is so well adapted for the purpose.

A year ago, our own House of Assembly rejected, very unwisely, a proposition for a Mint, on the ground that it would prove too expensive. There was a great scarcity of coin in the country at the time. Immediately afterward, however, the Government of British Columbia imported the necessary machinery, with the view of striking five- and ten-dollar gold coins at New Westminster; but, after the outlay and preparation, the operations of the mint were stopped – from what cause does not distinctly appear.

It is very certain, however, that New Westminster is not the place for such an establishment. Although the gold is found in British Columbia, there is nothing to cause the centralization of capital in that city. This city supplies the merchants, and hither the gold comes to meet the indebtedness of the interior traders. Were the mint in operation there, and were our merchants desirous of taking advantage of it, it would be a great commercial inconvenience compared to what it would be here. The delays attendant upon getting a mint certificate of gold on deposit for coinage, would,

²⁴⁸ From Mint. (1863, March 21). *British Colonist*, p. 4.

in many instances, be the cause of making our merchants pay interest on money for remittances when there would not otherwise be any necessity. Or they would be induced to remit the gold dust rather than risk delay, and the expense incident to the employment of an agent to attend to such matters at New Westminster. The consequences would be that the San Francisco mint would reap the profits of coining our gold; although British Columbia had invested money in establishing a Mint.

The same causes that would make a Mint at New Westminster next to useless to our merchants, would also place a gold escort in the same predicament, provided that place was the terminus. The gold escort ought to run through from Cariboo to Victoria and *vice versa*. In that way there would be no delays, no intermediate agents between the merchants or consignees of gold, but the gold carriers.

It is in connection with a gold escort running all the way through, and connecting regularly with steamboats from New Westminster, that a Mint here can be made successful. No sooner would the manufacture of coin be commenced here, than the blunder of putting up mint machinery anywhere else would be perceptible in its want of patronage.

A Mint, here, would do all the business. In fact, a merchant who opened a store in a back street, when there was a front street to go to, would not be more silly than the projectors of a mint to be put in an out of the way place. If a miller put up a gristmill seventy miles away from his customers, he might anticipate his pains for his folly. We regard the Mint at New Westminster in the same light; for, although it is on the route to and from the mines, it is seventy miles from where it ought to be to prove a public convenience. Here is where a mint ought to be, and to that end every energy ought to be directed.

“A mint for Victoria”²⁴⁹ (April 22, 1863)

That Victoria is the proper place for the establishment of a mint for this part of the world must become more plain to anyone who pays the slightest attention to the development of British Columbia. No matter how many towns may spring up in that colony – no matter how extensive they may become – not one of them can become to the whole country what Victoria is, and must continue to be. This port is destined by nature for the *entrepot* of this part of the world. It is the center of distribution and so it must be of reception.

So far as British Columbia is concerned, it is quite evident that in future the supplies for the mines will not go by way of Fraser River only. Trade will follow the shortest roads, and notwithstanding the fact that there will be in a short time a complete line of good road by way of the river, still a large portion of the traffic must go by one or both of the coast routes. There is no getting over this; and it is all the better for the country that it should be the case. It is for the advantage of the country that there should be as many routes as possible, and all in full operation. But if the mines are supplied by so many different routes, of course the gold will come down in

²⁴⁹ From A MINT FOR VICTORIA. (1863, April 22). *British Colonist*, p. 2.

the same manner. If the road by Bute Inlet should hereafter prove the shortest and best, it is likely to have the preference, and to be the express line from Cariboo. Victoria and Cariboo, and perhaps Peace River are the extreme points. All the routes must center in these points. They may pass through New Westminster, through Homatheo, or through Koomkootz, but they stop at none of them. Here, therefore, is the rendezvous for the lower country.

This city is to these colonies, what San Francisco is to California. This being the case, the propriety of establishing a mint in this city, to meet the downward stream of gold that must henceforward have its embouchure at this point, must strike the plainest understanding. It is an accommodation to the public and to miners, which we should no longer refuse. Men cannot be expected to come down by way of Bentinck Arm or Bute Inlet and then take their dust up to New Westminster for assay or coinage. Let us have a mint in Victoria by all means.

“Why should we not have a mint in Victoria?”²⁵⁰ (August 14, 1863)

The recent large arrivals of gold from the upper country may be considered as the forerunners of a constant series of large remittances from that part of the colony. Henceforth there can be no doubt but there will be a steady increase of the yield of the mines. The creeks already producing are constantly being extended by the opening of new claims; whilst new creeks are every day found to be of a similar character to those where our richest diggings lie. The opening up of the country by good trails will enable the hitherto inaccessible portions to be explored and undoubtedly greatly extend what was at first considered to be the gold producing area of Cariboo. Henceforth there need no longer be any fear on the score of dear provisions. This drawback of the past will be obviated by improved means of communication. Winter and summer the carriage of goods may continue, so that there will be nothing to prevent claims being worked to advantage all the year round. The result of all this cannot fail to do otherwise than give rise before long to a perfect flood of the precious dust from the upper country.

Such being the case, it becomes a question well worthy of consideration, whether it would not be advisable for us to devise some means of rendering this vast amount of treasure more generally available than is the case at present. The proper destination of the gold is to be converted into coin. All this has now to be done out of the country. The mint at New Westminster, though having gone to the trouble of having dies provided, has as yet produced nothing. It is now nothing more than an assaying office. It neither benefits this nor the neighboring colony so far as minting is concerned. It is inconveniently situated, even if it were in full operation. Most of the miners, in coming to the lower country, make Victoria their place of destination. Here they bring most of their dust. Here all the accommodation necessary to convert it into money should be afforded, and the expense of shipping coin and dust saved.

²⁵⁰ From WHY SHOULD WE NOT HAVE A MINT IN VICTORIA. (1863, August 14). *Colonist*, p. 2.

In short, we want a branch mint. In a commercial emporium such as this city is rapidly becoming, such facilities as are generally afforded by that kind of institution should not be wanting. In a very short time a large quantity of the Cariboo and Peace River gold will find its way here by the coast routes. It would be exceedingly inconvenient, then, if there was no choice left for converting it into coin but New Westminster and San Francisco. If there were a mint here, there would be a probability, too, of our receiving considerable quantities of gold for assay and coinage from the neighboring territory. Altogether, the arguments are in favor of a mint being established here. It should have been done long ago instead of locating in an out of the way place like New Westminster, but since we were not favored with that institution, let us have one of our own.

“A golden opportunity”²⁵¹ (December 5, 1863)

The establishment of a Government Assay Office and Mint in this city has long been a desideratum in the eyes of every thoughtful and intelligent person in the community. The subject has frequently been mooted in our columns, and its manifold advantages to the general interests of the colony pointed out. It has always been a matter of regret that the golden products of our mines should pass almost untouched through our city, and go to swell the revenue and prosperity of a foreign country; and any scheme which would tend to retain the precious metal, or at least to make it pay toll on its inevitable course to the grand monetary center, would meet with general and hearty approval and cooperation. Of the beneficial results to the country from the formation of a reliable establishment here where miners can have their dust melted into bars or made into coin, immediately on their arrival from the diggings, there cannot be two opinions. It only remains to secure these benefits by taking energetic steps towards the formation of the required institution.

One of the first essentials to be sought for is the possession of good skilled workmen, without whom efficiency and public confidence cannot be maintained. Fortunately for the commencement of the undertaking, this requirement may at once be met, as there are now in the city two gentlemen who have until recently been employed in the Government Assay Office in New Westminster, and whose term of engagement has just expired, and whose services could doubtless be readily procured, should the establishment of an Assay Office be determined on.

The next and main necessity is the amount of money required, and this, at least for the formation of an Assay Office, need not present any formidable difficulty. The whole cost of the requisite plant for carrying on an office similar to that at New Westminster would not exceed, in England, £500, and the amount required to place the establishment in complete working order, including the construction of suitable buildings, laying of furnaces, &c., would certainly not be more than £2,000. The total working expenses, including salaries of a staff of four assayers and melters, would probably reach nearly a like amount.

²⁵¹ From A GOLDEN OPPORTUNITY. (1863, December 5). *British Colonist*, p. 3.

The returns of a property conducted Government Assay Office in this city could hardly now be estimated, but judging from what data we have before us they would cover expenses, and that is more than is usually expected from Government undertakings. The receipts at the New Westminster office have been from £500 to £700 per annum since its establishment, and the amount of gold assayed during the present year reached 80,000 ounces, the charge for assaying being $\frac{1}{4}$ per cent. Estimating the probable receipts of gold at the Victoria Assay Office as at least treble those of last year at New Westminster, the returns would very nearly cover the total working expenditure of the office, a very gratifying result to begin with.

In the event of the Government establishing an Assay Office here, considerable time must necessarily elapse before the necessary material could be procured from England; all the heavy portion of the plant, at least, would have to come by sailing vessel, and it would probably be nine months before it could be made available here. In view of this, and of the present reduction in the staff of assayers at New Westminster, some arrangements might be made by which part of the material in that office could be used here till the arrival of that ordered from England.

The establishment of a Mint is a more weighty consideration, and may safely be deferred for future consideration; should an Assay Office be put in operation, and prove successful, the former will soon follow as a matter of course. The subject is one of much importance, and it is to be hoped that the House of Assembly will take it up, and, should it be deemed advisable, make the necessary provision in the forthcoming estimates; should this opportunity be neglected, we may be obliged to witness the receipts of another year's mining, and in all probability a much greater amount than those of the present season, pass through our hands, and leave us none the richer for it.

From the *British Columbian* (New Westminster)

“Assays of gold bullion”²⁵² (April 4, 1861)

GOVERNMENT ASSAY OFFICE
New Westminster, British Columbia

April 4th, 1861.

Assays of gold bullion are made on the following terms, and under the following conditions:-

1. A receipt will be given to the Depositor for the exact gross weight of his deposit.

2. The resulting ingot will be delivered to any party returning the aforesaid receipt, whether the Depositor or anyone else, and the party returning the receipt will be required to cancel it by his signature at the time of receiving the ingot.

3. Each ingot will be stamped with its *number*, corresponding to its number in the official records, with its *weight*, in ounces and decimals of ounces, its *fineness* in thousandths, and its *value* in dollars and cents; also with a Government cipher, a crown encircled by the words, “BRITISH COLUMBIA GOVERNMENT ASSAY,” [...] and the clip corner will be protected by a small crown impressed on the face of it.

4. With each ingot will be given a certificate, signed by a Government officer, of the weight of the deposit before melting; its weight after; the fineness; the charge for assaying; and the value in dollars and cents.

5. For all bars not exceeding 50 ounces in weight, a charge of seven shillings and six pence (7s. 6d.) sterling will be made, and for every additional 10 ounces or fraction of the same, one shilling and six pence (1s. 6d.).

All clips are retained in the Government Assay Office, but on bars not exceeding 10 ounces in weight, allowance will be made off the assay charge, for the value of the clip.

N.B. – Bars assayed at this office, or Dust, may be exchanged for American coin, at the current market rates.

ASSAYS OF ORES are made at the charge of One Pound (£1.) for each specimen experimented upon.

FOR A COMPLETE ANALYSIS OF ANY MINERAL, Two Pounds (£2.) is the charge.

W. DRISCOLL GOSSET

P.S. – Useful geological specimens, whether metallic or not, if accompanied by a note of the locality where found, position with regard to other rocks, altitude, dip, &c., &c., will be thankfully received by me.

W. D. G.

²⁵² From Gosset, W. D. (1861, April 4). Government Assay Office [Advertisement]. *British Columbian*, p. 3.

“Coin will be hailed with great satisfaction”²⁵³ (April 11, 1861)

The silver coin for British Columbia Treasury, brought in by the Tartar from Britain, and not yet forwarded from Esquimalt, but expected daily, consists of 40,000 Florins – £4,000; 40,000 Shillings – £2,000; 32,000 Six-penny pieces – £800; 8,000 Three-penny pieces – £100. Total, £6,900.

This coin will be hailed with great satisfaction, by our community generally, and business men in particular, as silver coin, especially of smaller denominations, has for some time been almost unobtainable either in this city or up the country. We believe were are indebted to our Treasurer, Capt. Gosset, for this boon, as it appears from Blue-Books it was his suggestion.

“From our Lillooet correspondent”²⁵⁴ (August 8, 1861)

Sir – The opportunity of the new [Gold] Escort to carry you a letter at a reasonable price, is too good to be lost. Touching the Escort, why is Mr. Elwyn²⁵⁵ not up here? The accounts from above are first-rate, and we had hoped to have seen the upper Escort on its way to bring us the dust.

Packing is very brisk, and goods cannot be got up fast enough to satisfy demand. We are in tribulation about our roads. The Seaton Lake is still uncontracted for, though the Governor promised us it should be delayed no longer, and the Second Portage is said to be almost at a stand-still in consequence of some quarrel between the contractors, Mr. Colquhoun and Mr. Cox. We do hope the Governor will send someone up at once about the roads, for there are wagons now at Douglas ready to be put on the Second Portage the moment it is completed. I believe there are only about 30 men now working on it, and without superintendence; they of course work how and when they like – small blame to them; if the contractors took the job too cheap, which everybody says they did, in the name of common sense let them be dealt honestly with, and let the road go on briskly. Fair liberality to them will be the best policy for the country. See how the season is passing away, and we are unable to get goods up fast enough. It is only open about six miles from Pemberton, and trees cut out about two miles further, leaving four miles of the old trail to the half-way house.

Our Cornish men near this are making \$17 as an average. A fine sluice is nearly opened.

Our men of business have for many months past been trying experiments between the Government Assays and Private Assayers' reports, and have satisfactorily established the proof that from 2 to 3 per cent. on the whole value of the dust is gained by having their gold melted and assayed at the Government office. One

²⁵³ From LOCAL INTELLIGENCE. (1861, April 11). *The British Columbian*, p. 2.

²⁵⁴ From CORRESPONDENT. (1861, August 8). FROM OUR LILLOOET CORRESPONDENT. *British Columbian*, p. 2.

²⁵⁵ Thomas Elwyn (c. 1837 – 1888), commander of the Gold Escort. The Escort was intended to allow gold to travel safely from the gold fields to other destinations.

trader alone estimates his gain this season by using the Government office at New Westminster, at over \$1,000.

CORRESPONDENT.

Lillooet, August 1st, 1861.

“Scarcity of coin and its effects”²⁵⁶ (November 7, 1861)

Owing to the scarcity of coin in the Treasury here and in the banking-houses in Victoria, miners are compelled to go to San Francisco for the purpose of having their gold dust turned into coin. There is at the present time close upon one hundred thousand dollars in dust in this place, principally in Mr. Ballou’s safe, the owners of which say that could they obtain coin for it they would have it converted into bars, which they would sell at a reasonable discount. Having no adequate supply of coin, and destitute of a Mint, as we are, this treasure has to go to California, thereby obliging miners, who would remain here till spring, when they intend returning to their claims, to go to San Francisco, and when once there they will of course remain till the time arrives for them to return to Cariboo.

Custom-House brokers are now obliged to discontinue advancing duties on merchandise, from the fact that they have to pay from 3 to 5 per cent. for coin.

The bankers of Victoria have certainly practiced their usury long enough, and, with the prospects ahead, the government should set about the immediate establishment of a Mint in connection with the Assay; for if the coin question is so seriously felt now, to what alarming dimensions will it attain next year, with a mining population at least five-fold what it is now, and a corresponding increase in the yield of our mines? The news from Salmon River is equally as cheering as from Cariboo, and it is firmly believed by intelligent miners with whom we have conversed, that the entire range on the western slope of the Rocky Mountains is rich with gold.

We have not conversed with a single miner who does not hold out inducements for people to emigrate to this country; and the very large amount of gold brought down is the best sort of evidence, and will justify government in making preparation for a large immigration in the spring. Some reasonable inducement and guarantee should certainly be given to the working men, who are the bone and sinew of the country, that they will reap the full results of their labors, and not be shaved to the tune of 5 per cent. by coinless bankers.

“The Mint question”²⁵⁷ (November 14, 1861)

The Mint question bids fair to become *the* question of the season. The Victoria *Press* of the 24th ult. [October] Contains a very sensible leader on the subject, in which he shows, not only the necessity of having a Mint, but that it should be located at New Westminster. In the *Press* of the 4th instant [November] this subject is again

²⁵⁶ From SCARCITY OF COIN AND ITS EFFECTS. (1861, November 7). *The British Columbian*, p. 2.

²⁵⁷ From THE MINT QUESTION. (1861, November 14). *The British Columbian*, p. 2.

treated upon. But although we fully agree with him in the main, we take exception to some remarks in reference to the Assay Office here. In referring to it he says:-

“The men who are employed in the establishment have exceedingly high salaries, and are certainly not one-third of their time engaged. It is, therefore, under present circumstances, a dead loss to the Colony.”

It may be true that the salaries referred to are high, but would lower salaries command competent men? It may be true; indeed we are satisfied it is, that they are not engaged one third their time; but is it usual for those who follow that kind of business to be more than one-third their time engaged? We are given to understand it is not. And, indeed, if we had enough to keep them, on an average, engaged one-third of their time, the concern might be considered in flourishing condition. But it by no means follows that, even if both these propositions are correct, the conclusion arrived at by our contemporary – “It is therefore, under present circumstances, a dead loss to the Colony” – is likewise correct. There has been a very large amount of gold assayed here this season; and although we are free to admit that its operation and usefulness have been very seriously cramped and circumscribed by the lack of coin with which to purchase gold, still it has been a great public good; and we have been assured by the best authority that had there been an adequate supply of coin constantly on hand for the purchase of gold, the establishment would actually be self-sustaining at present!

In the *Victoria Colonist* of the 7th instant, we find an editorial article upon this subject, which is of such extraordinary and absurd character that we can scarcely deal with it under this head. The main object of the writer seems to be to show, first, that it is very doubtful whether the yield of our gold fields will warrant the establishment of a Mint; secondly, that if a Mint is established, Victoria, and not New Westminster, is the location; and, thirdly, that government ought to license private coinage.

To all three positions we take most decided exception, but shall confine ourselves to the first for the present. We think the present and prospective yield of our mines would fully warrant the establishment of a Mint. We shall go into a few figures to show why we think so. Those who are in the best position to know, have computed the yield of our mines this season at four million dollars, and we think we are safe in assuming that it will be 50 per cent. more next year, which would give us six millions; and calculating that if we had a Mint, and also an export tax on gold, at least two-thirds of that amount would find its way there, which would give us four million dollars to be coined during the ensuing season. And that sum at one per cent., which we believe would be a reasonable charge for coining, would give *forty thousand dollars* as the earnings of the Mint for the first year.

The cost of a Mint has been variously estimated at from one hundred to one hundred and fifty thousand dollars. But we have it from a gentleman who should be the most undoubted authority, that a Mint capable of turning out coin at an average rate of \$100,000 per week could be established for \$75,000, and that would include refinery and \$10,000 in silver. And further, that it could be worked in connection with our Assay for about \$30,000 a year. But for argument's sake, in case some may be

disposed to consider \$75,000 *too low*, let us assume that it would cost \$100,000, at which figure the next year's earnings would pay current expenses, and leave a surplus sufficient to pay interest on the cost of the establishment at the rate of *ten per cent!* But this is by no means all that should be placed to the credit of a Mint.

We look upon such an institution in very much the same light as the postal service, or any other part of the public service. It is, outside of any actual earnings, necessary to the commercial prosperity of the country, possibly even more so than the postal service, and we should therefore no more think of laying it aside upon the ground that it would be a drain on our revenue, than we would think of dispensing with any other branch of the public service upon the same ground. Who would for a moment entertain the idea of doing without a postal system until such time as it could be shown beyond a doubt that it would be self-sustaining? No sane man would think of such a thing. Neither can we see how any man who understands the Mint question should take the position that we should do without one till such time as it would be self-sustaining.

This we say for the sake of argument, holding, as we do, that it can be clearly shown that a Mint would actually earn enough to pay current expenses and interest on the original cost.

Let us now glance at the advantages of a more indirect and public character. If we may take the statements contained in Victoria papers as correct data, we find that, under present arrangement, or rather *derangement*, a loss of from 2½ to 5 per cent. is sustained upon our raw gold, which, at an average of, say 3 per cent., less 1 per cent. allowed for coinage, would actually give the very considerable sum of *eighty thousand dollars* to the community in one year! And to all this we have still to add the more speculative gain from removing the necessity for miners going to San Francisco, which is at present so much complained of. Quite a variety of schemes have been suggested as a cure for the present coin difficulty, but our own opinion is that nothing short of a Mint will be found to meet the difficulty, and the sooner we have that desideratum the better for this Colony.

“The Mint”²⁵⁸ (April 3, 1862)

H. M. gunboat *Forward* arrived at New Westminster on Saturday evening, bringing machinery for the Mint. On Monday, the tars assisting heartily, the whole of it was landed and conveyed to the Mint buildings, where preparatory fitments had been commenced by Captain Gosset some days previously; so that with fine weather and some activity, it is to be hoped the first mintage may be achieved by the beginning of May. The coins to be struck are \$20 and \$10 pieces. Colonel Moody has very courteously placed some non-commissioned officers and men of the Royal Engineers at Capt. Gosset's disposal, to aid in the erection of the machinery.

²⁵⁸ From THE MINT. (1862, April 3). *British Columbian*, p. 2.

“Grease it and lay it by”²⁵⁹ (April 10, 1862)

We understand Capt. Gosset, who has displayed commendable energy in fitting up the Mint here, received instructions from Czar Douglas by the last steamer, to “grease it and lay it by!” We hope no notice will be taken of such an insane command; but that the necessary work will be prosecuted with vigor, as this is a most auspicious time to start the mind. Indeed, we cannot get on without it. It is a necessity, and we *must* have it.

“The Royal Mint of British Columbia”²⁶⁰ (May 17, 1862)

The decision of Chief Justice Cameron in Vancouver Island rendering gold seizable which has passed through any person’s possession by wrong means, is one of too much importance to British Columbia and its Mint to be passed over cursorily. If that decision is good law, it will have an immediate effect on transactions of great extent. Hitherto gold bars have passed between all classes of the community without any feeling of doubt or insecurity; in fact, with the full security attached to coin. For the future, however, there is no safety in taking payment in gold bars; anyone may start up a claim, and a Judge’s order unlock the strongest safe. Under such circumstances no one will be fool enough to take anything but coin in liquidation of a debt, or in ordinary commercial transactions.

We have drawn attention before to the Government Mint at New Westminster, and its progress towards completion. Its importance is now undoubted, and its proper position in these Colonies, locally, is equally undeniable. The public are not a little indebted to Capt. Gosset, R. E., the Deputy Master of the Mint, appointed by Sir Edward Lytton, and the Chief Commissioner of Lands & Works, for the energetic manner in which the arrangements of the former have been carried on, and the valuable aid rendered by the latter towards the erection of the requisite apparatus; and as all our readers may not be conversant with the Mint proceedings hitherto, we offer a few observations on this Institution. From [the] Blue Book, part 3, page 13, we learn that so early as April 25th, 1859, Capt. Gosset wrote this: “Commissioned by the Secretary of State for Her Majesty’s Colonies to undertake the task of organizing a Mint (of which an Assay Office forms a part), should the necessity arise for such an establishment in the Colony; I am of opinion that the time has now arrived for introducing a portion of such an establishment, and I recommend immediate action.”

In consequence of this report there was opened in New Westminster on August 1, 1860, the Assay and melting parts of the Mint; and although we daresay, as Capt. Gosset predicted, that in the first year or two the fees may not equal the cost of maintaining the Department, yet this is of little importance. The public are fully sensible of the direct value of the establishment, *and this is very great in a gold Colony*. The Assay Office takes already its proper place in this Colony, and the Mint, equally well located, will soon do the same. The value and public estimation of those

²⁵⁹ From GREASE IT AND LAY IT BY. (1862, April 10). *British Columbian*, p. 2.

²⁶⁰ From THE ROYAL MINT OF BRITISH COLUMBIA. (1862, May 17). *British Columbian*, p. 2.

portions of the Department now in operation are no secret. Niners and others bear open testimony to the integrity of the processes employed; and they declare that by bringing their dust to the Government Assay Office here they have realized two, three, and as much as *four* per cent more than if they had taken it to private Assay offices elsewhere. It is not too much to assert further that the accuracy and fidelity of the Government Assay Office have been advantageous to those who did *not* avail themselves of its services; the result of assays having had the effect of making private parties more careful in their dealings. But let our miners and readers reduce this increased probity to figures. How does the account stand? Suppose (which is a low estimate) that the Government Assay Office has acted as a check upon private melters and assayers elsewhere to the tune of *one per cent* upon our Colony's yield; taken at six million dollars last year, this would be virtually \$60,000 saved to the most important and interested classes in the Colony, miners and merchants.

But to follow up the historical outline of the Mint – in November 1861 our gold fields seemed to warrant another step in civilization. Capt. Gosset was called upon by Governor Douglas to obtain immediate appliances for coinage and to send to San Francisco for some second-hand machinery said to be obtainable there for a few thousand dollars. It is no secret that Capt. Gosset was opposed to hasty action, and would have preferred waiting the results of this year's mining, and if confirmatory of last year's indications, procuring perfect and very economical machinery from England in time for the down-coming gold of 1863. His opinion was overruled, however, and without delay a gentleman connected with the Department was sent to San Francisco, and Mint machinery was landed at New Westminster early last April.

In view of Judge Cameron's important verdict, we cannot but reject that we have the means of converting bullion into coin, thus removing the perplexing situation in which traders and others who accept bars might find themselves, if the only recognized circulating medium, money, is not to be had. More perfect and economical machinery than the present might, perhaps, have been obtained, but we think the judicial decision to which we have referred will satisfy Captain Gosset, as we confess it does us, that his professional and very proper predilection for doing a thing well, if done at all, has been (as it turns out) fortunately overruled. This most opportune verdict will hasten on the operations of the Royal Mint, if the interests of the Colony are attended to, and the scarcity of coin and miners' losses in discount last year are borne in mind, the decision *must* cause an increased demand for coin. Are the Government alive to the importance of meeting the demand?

At present, we understand that the funds necessary to complete the arrangements of the Mint are refused to Capt. Gosset, who, rather than see all progress stopped, is going on with the principal engineering operations out of his own pocket, heartily aided by Col. Moody's co-operation in the artificer line. This prompt and generous personal action and mutual co-operation have saved us several weeks delay, and will not fail to meet that public approbation to which, under the circumstances, they are eminently entitled.

Is it not full time for the Governor to apply some of the rapidly swelling Customs Revenue to this most important department, not simply to ensure our

progress, but to prevent our retrogression? The whole system of the drainage of gold from our shores, which has retarded these Colonies so woefully, while it has aided in building up San Francisco, is likely soon to end, if the steps in the right direction, already taken, advance still further, and that without delay, or the exhibition of timidity and nervousness as to the results. These are signs of weakness which the history of the British Columbia gold-fields does not warrant, and which the sight of a large mining and agricultural population floating hither, is calculated to dissipate immediately. It is time the Governor should issue a Proclamation declaratory of the mintage standard, weights, denominations, etc., legalizing the whole procedure and results, both as a lawful and recognized act of the Deputy Master of the Mint (against whom anyone can lay information for his arraignment for coining money), and to satisfy the public that no harm can accrue by the decision already referred to, a convenient and speedy medium of commerce, like coined money, being always preferable to gold bars, great or small. Let us hope that the Government, duly impressed with a sense of the vital importance of putting this institution into full operation with the least possible delay, will promptly place at the disposal of Captain Gosset the amount necessary to this end, and facilitate, in every way, the speedy attainment of an object so pregnant with interest to the entire community.

“The Royal Mint”²⁶¹ (May 31, 1862)

Gold in considerable quantities – large quantities, indeed, considering the season – is coming down, and the daily cry is for coin in exchange. The anxious inquiry propounded every day, “when shall we be able to get our gold converted into coin?” demands an answer from our Government; and what that answer shall be is a matter that interests all of us. Capt. Gosset, the Deputy Master of the Mint, has certainly displayed the most praiseworthy zeal in the erection of the plant so far; and it is gratifying to learn that the Mint will be ready for work in a few days. But the question is, will it be put in operation when it is ready? We regret to know that His Excellency the Governor has seriously hampered Capt. Gosset in the way of funds; and even now the small amount necessary to construct the requisite buildings is not forthcoming. The work has all been done by two or three Royal Engineers kindly furnished by Col. Moody, and under numerous disadvantages, and in spite of diverse obstacles – one would almost be tempted to say *designedly* thrown in the way – the indomitable energy and firm determination of the Deputy Master have triumphed, or will, at least, in a few days. The Royal Mint will shortly be a verity; the coin manufactured from our own gold, bearing its impress, will shortly be in circulation. But hold! Peradventure we are too fast – assuming too much. Is the Deputy Master yet in a position to coin gold if he had it; and is he in a position to procure the gold? Have the necessary steps been taken to enable him to do the former, and will the necessary funds be promptly placed at his disposal to accomplish the latter? These are questions to which the people will expect a practical reply.

²⁶¹ From THE ROYAL MINT. (1862, May 31). *British Columbian*, p. 2.

No one having the prosperity of this Colony at heart could witness, without experiencing feelings of keen regret, the constant current of virgin gold which has, during the last four years, flowed into a foreign country for coinage, with an average loss to this country of not less than two per cent., to say nothing of loss and inconvenience arising from scarcity of coin. If we would not have this evil perpetuated for another years, there I no time to be lost. The Government should be at *once* in the field with the Mint. If commercial and other gold-shipping firms commence the season by going to San Francisco with their gold, they will be very likely to continue for some time. The Royal Mint, if set in timely operation, and conducted upon liberal principles, when taken in connection with the Assaying branch, cannot fail to prove a very great Colonial desideratum. The eye of the community is anxiously fixed upon it. The action of the Deputy Master from the first, in connection with it, will not be forgotten by the people. And now the Governor is expected to mature, as quickly as may be, any requisite preliminary arrangements, and thereby not only remove the monetary evil of which we complain, but dispel that degree of uncertainty in which the Mint is unhappily enshrouded.

“Royal Mint”²⁶² (July 9, 1862)

Specimen coins, tens and twenties, have been struck off and exhibited to visitors, looking exceedingly well. We hope soon to realize the *practical* benefits of this institution in the issue and circulation of the coin. Gold in considerable quantities has already passed, which ought to, and might have, been converted into coin here, thereby saving 2 or 3 per cent to the owners.

“Our Mint – why is it not in operation?”²⁶³ (August 27, 1862)

Owing to the impossibility of obtaining a supply of coin, and the heavy loss experienced from our gold and exchange generally, the Governor was induced to take steps to relieve the heavy commercial pressure arising therefrom by the establishment of a mint. Owing to the urgency of the matter, and also with a view to lightening the expense, he concluded to procure a sort of temporary Yankee coining machine from San Francisco, at a cost of \$2,000 or \$3,000. Mr. Claudet, of the Assay Department, was accordingly commissioned to proceed to San Francisco for that purpose. On the 29th day of March the plant for the mind arrived here by one of H. M. Gunboats. The machinery was set up, and the whole set in successful motion several months ago by the indomitable perseverance of the Master of the Mint, opposed, as he ways, by the Governor, who, from the day of its arrival here, manifested a decided objection to the work being proceeded with, and refused to sanction a trifling expenditure for that purpose.

In the first instance Capt. Gosset was decidedly opposed to the course which the Governor thought proper to take, believing as he did that if the time had arrived

²⁶² From ROYAL MINT. (1862, July 9). *British Columbian*, p. 3.

²⁶³ From OUR MINT – WHY IS IT NOT IN OPERATION? (1862, August 27). *British Columbian*, p. 2.

for the establishment of a mint in this Colony, a proper and complete plant should be obtained from England, which, although it would undoubtedly cost more in the first instance, would be a creditable affair, and would in the long run be the cheaper and more satisfactory of the two. We also opposed it, showing by figures drawn from a reliable source, that an English plant could be obtained for a trifle more than the miserable “one horse” concern we now have will cost. But owing to the pressing necessity for immediate relief from the monetary pressure under which we were suffering, all felt willing to overlook these points, in view of the grand relief which anything capable of turning the raw gold into coin would be to the country. Our merchants and packers, who also deal largely in gold, were subjected to a loss of from 3 to 5 per cent in procuring foreign coin in exchange; and as it was felt that this must be stopped at all hazards, people were willing to pay a few thousand dollars for even a temporary relief, on condition that it should be *immediate* – available for this season’s trade.

After waiting anxiously for the arrival of the machinery, and eagerly watching the necessarily slow progress of its erection, the announcement that the machinery was in successful motion, and subsequently that specimen coins had been minted, and transmitted to the Great Exhibition in London, gladdened the hearts of all. But now that several months have transpired, and yet no coin is being issued, although the evil, which last fall led the Governor to procure this temporary affair from San Francisco in a great hurry, still exists. If the demand for a mint last fall was so urgent as to induce our phlegmatic Governor to take the step he did – if the urgency was so pressing that there was not time to procure a proper establishment from England, but a second-hand, discarded thing from San Francisco must be taken, we should exceedingly like to know why it is that, after incurring three or four times the estimated expense, this Mint is allowed to stand idle for several months, while the evil it was designed to cure still exists and extends with the increasing yield of our mines?

We know the Master of the Mint is not in fault; for he has done all that mortal man could do in this matter. The Governor only is to blame, and the people would like to know – have a right to know – why they are subjected to this extraordinary treatment at the hands of their Governor. This miserable apology for a Mint will doubtless stand in the way of our getting a thorough and permanent establishment from England, just as the Carry-mail-subsidy stood in the way of an Imperial one; and certainly the least that the Governor can do, after getting the thing in such haste, is to set it in motion, and let the country reap all the benefits that it is capable of bestowing.

A farewell address for Capt. Gosset²⁶⁴ (September 3, 1862)

ADDRESS

To Capt. W. D. Gosset, R. E., Treasurer of British Columbia.

Sir – We cannot allow you to leave the Colony without giving ourselves, as the representatives of the inhabitants of this, the Capital of British Columbia, the pleasure of thanking you for your uniform and persevering efforts for the benefit of this young and rising Colony.

Your arrival in British Columbia with the Department under your charge the first moment you were permitted to do so, we hailed with deep satisfaction by every one, and has been of great benefit to us all. The Treasury once established in New Westminster, it was no longer necessary for the colonists to waste time and money crossing the Gulf of Georgia to the neighboring Colony for transaction of Colonial business with that Department.

The Government Assay Office, established through your representation in this City, has been of great commercial importance, saving the colonists from great loss; inasmuch as it has acted as a healthy check on private assayers elsewhere.

We value also your energetic endeavors to bring the Coning Department into a state of efficiency, and trust that the authority of the Governor to commence operations will speedily be given, as, in the absence of sufficient coin, a supply of Colonial money will prove a great boon to our commerce.

You know full well how necessary it is that our own Governor and staff should reside in the Capital of the Colony, and also the benefit which must spring from a continued separation of the two colonies, British Columbia and Vancouver Island. We therefore confidently trust that your able exertions will be engaged on our behalf on your arrival in England, in order that we may no longer suffer from those tedious delays, which so constantly and seriously impede our progress.

Wishing you a pleasant sojourn in England with your family, and that you will return with restored health, and long to remain amongst us, I have the honor to subscribe myself, on behalf of the Municipal Council,

Your obedient servant,

Henry Holbrook,
President, Municipal Council.

REPLY

Gentlemen – Next to the approbation of the Sovereign, the highest honor a public officer can receive in any country, is the approbation of the public, for whose interests he is temporarily a trustee.

I have therefore received your address with singular satisfaction, and thank you sincerely for it.

I cannot, however, presume to accept your too liberal commendation, without remarking, that unless there exist an united spirit and intelligent concert amongst

²⁶⁴ From Gosset, W. D. & Holbrook, H. (1862, September 3). ADDRESS. *British Columbian*, p. 1. Written by William Driscoll Gosset (1822 – 1899) and Henry Holbrook (1820 – 1902).

his colleagues and himself, no public man can achieve success. If, therefore, my efforts in this Colony's behalf have been such as to give you satisfaction, the cause is to be found in the integrity, zeal, and co-operation of my fellow laborers in the Department over which I presided.

You over-estimate my influence at home, when supposing that my humble voice could materially affect your political destiny; but should opportunity be afforded me, I shall deem it no less my duty to advocate the interests of British Columbia, to the best of my ability.

I shall now only repeat my grateful acknowledgment of the honor you have done me, and of the kindly feelings which characterize your address. Fortified by your approbation and confidence, I quit the Colony with a good heart, and in the humble hope that, under the blessing of Providence, my visit to England may be not merely of benefit to my health, but, as you desire it, some use towards the advancement of this Colony, and augmenting the happiness of an industrious, intelligent, and high-spirited people.

I have the honor to be, gentlemen, your most obedient servant,

W. Driscoll Gosset,

Capt. Royal Engineers.

To the President and Council of New Westminster.

“The evil continues the same as ever”²⁶⁵ (October 8, 1862)

We wonder how the Governor will explain in his despatches the fact that this institution, the necessity of which he urged in 1859, and which was ready for coining six months ago, is standing idle and rusting – has not coined a single piece, beyond a few specimens. What change has taken place since '59, when, in writing upon the subject, His Excellency deplored the scarcity of coin, and the necessity for our raw gold finding its way to a foreign country for coinage? What change has taken place since the fall of '61, when the necessity for a Mint was deemed so pressing that there was not time to procure a proper plant from England, but a temporary thing must be obtained from San Francisco?

Has the evil which he deplored in '59 ceased? Has the coin difficulty, and the loss upon raw gold to the miner, the merchant, and the Colony, which, twelve months ago, drove His Excellency to San Francisco for a Yankee machine, in order to relieve the insufferable monetary pressure, ceased?

No. The evil continues the same as ever. Our gold still goes to San Francisco for mintage, while our staple circulating medium is the Sovereign, upon which there is a loss of from two to three per cent in all transactions out of the Colony.

Why then is the Mint, such as it is, allowed to stand idle all this time? There must be something radically wrong somewhere. Either the Governor was wrong in getting this machine, at a very considerable expense to the Colony, or he is culpably wrong in keeping it standing, rusting, while the evil it was brought to cure still exists.

²⁶⁵ From THE ROYAL MINT. (1862, October 8). *British Columbian*, p. 1.

Some are naughty enough to say that it is because the Mint was brought to New Westminster; that had it been located in Victoria, it would have been in active operation all this time. We are aware His Excellency is bound up in Victoria – has his fortune invested there. But may we not entertain a lingering hope that he will not so far betray the high and important trust committed to him by his Sovereign, as to prostitute his power to such selfish ends?

As comparatively little gold came down during the early part of this season, the want of the Mint was not so keenly felt; and the authorities may possibly have been deluded by this temporary calm into supposing that the thing would be forgotten. Now, however, that our successful miners begin to come down with large amounts of gold, with the confident expectation that they could get it converted into coin in this city, the agitation naturally revives. We have recently conversed with some of those, and they assure us that such expectation was general in the mines; and that much of the proceeds of this season's operations would have found its way to our Mint, had it been in operation. Now, these men do not even get it assayed here. They say, and very naturally to, if we have to go to San Francisco to get it converted into coin, we may as well save a trifle by getting it assayed there also. Thus our Mint is a dead loss, and is actually operating as an obstacle in the way of the Assay Department.

Shall we again urge the Governor to set the Mint a-going? Our heart sickens, and the pen drops from our hand at the very thought. Time and again we have urged upon His Excellency's attention this and other matters which he must know to be of vital importance; but it seems like throwing chaff against the wind. And, meanwhile, the interests of the Colony are being cruelly sacrificed, and her progress criminally impeded. And to such an alarming extent have matters gone in this direction, that we are unwillingly forced to one of two conclusions: Governor Douglas is disqualified to govern this Colony either by private interests, or lack of ability; *which*, concerns us but little, seeing we are the victim of either.

“The coin question”²⁶⁶ (November 22, 1862)

Whenever a day of reckoning comes, Governor Douglas will certainly have to account for the extraordinary course he has thought proper to pursue in regard to the Mint. Why he should have felt the coin question to be so serious a year ago as to justify him in procuring in the greatest haste a temporary sort of plant from San Francisco for the purpose of relieving the commercial pressure, and after the Mint was set up and ready for work to allow it to lie rusting all the season, seems to us altogether inexplicable. The mining as well as the trading population received every assurance last spring that money would be coined here early last summer. And the best evidence of the fact that the miners would have availed themselves of such an arrangement to a very great extent is the general feeling, and expressions of surprise and disappointment on arriving here to find that the Mint is not in operation, a

²⁶⁶ From THE COIN QUESTION. (1862, November 22). *British Columbian*, p. 1.

feeling which will be the means of sending a much larger proportion of our miners to San Francisco this winter than would have gone, had no such facility as a Mint been promised.

But although important, it is by no means the most keenly felt phase of the question. The want of coin as a circulating medium is now pressing upon every inhabitant. The sovereign is now almost the only coin we have, the value of which is \$5 in this Colony, while only \$4.85 out of it, thus entailing a loss of three per cent. upon all commercial transactions. When the miner arrives with his gold, instead of getting it converted into coin here as he anticipated, he is offered a low price by private buyers, payable in coin, upon which he must lose three per cent. And, as a natural consequence, he borrows a few dollars from a friend, or perhaps disposes of an ounce of his gold simply in order to raise enough to carry him out of the place, and hurries on to California, or it may be [he] sells at Victoria. Now, all this may seem right enough from a Victoria or San Francisco standpoint; but such a state of things can hardly be satisfactory, or conducive to the interests of this Colony. There was undoubtedly a temporary mitigation of the evil from the operations of the Bank of British Columbia. This establishment, however, is about to close for the season, not from lack of business, we are assured, but from lack of coin with which to purchase gold; and thus the grievance will relapse into its original shape, if anything intensified from the temporary relief we have experienced.

Of course, it is too late in the season now to remedy the evil by starting the Mint – a cure we would hardly expect from the present Executive. The providing of coin for the commercial wants of a community is the duty of Government just as much as the providing of a Judiciary system; and wither from the personal motives imputed to him, or from a lack of statesmanship, Governor Douglas has palpably failed to discharge this important duty. It is therefore high time some steps were taken by the people of this Colony in order to bring the necessary influence to bear upon a power above and beyond the Colonial Executive. That the present state of things, alike anomalous and prejudicial to our interests, should be permitted to extend over another year is out of the question altogether. Three per cent upon the commercial transactions of this Colony forms an aggregate figure too important to be longer overlooked.

“The *Colonist* and a mint”²⁶⁷ (May 2, 1863)

Our Island contemporary has been laboring during the last two years to convince his readers that Victoria is the proper place for *the* mint. Had he simply advocated the propriety, or possibly the necessity, of having *a* mint there, without going beyond his legitimate province by claiming that *the* mint should be there, and that we should have no mint at all [in New Westminster,] we would not have considered it worth our while to notice his periodical effusions further than giving

²⁶⁷ From THE COLONIST AND A MINT. (1863, May 2). *British Columbian*, p. 1.

expression to our doubt as to the ability of so small and poor a colony as Vancouver Island to support such an expensive institution.

Assuming that the thing could be put in operation for £20,000 and worked for £800 a year, here would be a sum equal to within a fraction of the entire revenue of the Colony. It would be infinitely cheaper for the people of Victoria to get their coin from San Francisco, and better still to have the gold coined here free of expense to them. We can hardly conceive it possible that any man of common sense could for a moment seriously entertain the idea of saddling that Colony with the crushing expense of a mint. The fact is, the people of Victoria are poor and greedy. They don't want to see anything here. They want everything belonging properly to this Colony crowded into Victoria. But, unfortunately for the gratification of this greed, they are not able to pay for a mint. They are heavily taxed now, so much that they complain bitterly, and yet if the absurd project of the *Colonist* were carried out, their taxes would be increased fully fifty per cent.

In truth they ought to be very thankful to have a mint here which would supply their wants without additional burden, and would answer every purpose without costing them anything. But it would appear their jealous greed has got the better of their judgment, and they ask for a thing which they cannot have, a thing for which they cannot afford to pay. SO much for the *policy* of the thing; and now for the *right*.

The people of Victoria have an undoubted right to have a mint of their own, or a dozen of them if they will, and we have no right whatever to object, nor do we object to that. But we do most decidedly deny their right to have *our* mint, to claim that the mint for both Colonies should be at Victoria, that there should not be a mint in New Westminster. Whenever they get upon this ground, they expose themselves to the charge of ignorance and impudence, intermeddling with affairs with which they have no more to do than they have with the affairs of Canada or Australia.

Is it really necessary for us to inform the Editor of the *Colonist* that British Columbia is a distinct colony, and that anything in the shape of dictation as to where our mint should be, or concerning any other matter connected with the internal arrangements of our affairs, coming from another colony must not only appear impertinent to the outside world, but is most offensive to the people of this colony?

Our Governor and several of the paid officials of this colony have continued during five years to reside in Victoria, it is true; but even that was an unblushing outrage, committed in direct contravention of the positive instructions of the Minister of State for the Colonies, and at the very worst must end in a few months. But our friends across the Gulf must not imagine that because such a wrong as this has been committed with seeming impunity they can therefore go to the lengths which the views advocated in the paper to which we have alluded would indicate.

“A dormant mint”²⁶⁸ (June 27, 1863)

A little over a year ago the Mint was, through the energy of Capt. Gosset, the Treasurer of this colony and Deputy Master of the Mint, erected in this city, and a few specimen coins were struck off, but beyond that nothing has yet been done with it. It is not our intention now to enter upon a history of the establishment of this institution, as we have already done so. But now that our mines are yielding up their treasure in a ratio which would assuredly justify such a step, we demand of the Executive, on behalf of the people of this colony, to know why measures are not taken to work the Mint and coin our gold, instead of having it all go to San Francisco, as now, for coinage. Treasure has been coming down for some time at the rate of about \$100,000 a week; and from our acquaintance with the miners we *know* that were the Mint in operation, a very large proportion of it would be converted into coin here.

A feeling prevails amongst the miners, and a very natural one it is, in favor of having their own gold converted into coin. Men who have passed through so many hardships, who by their persevering industry have explored the country, and have been successful in accumulating enough of the precious metal to constitute a fortune, very naturally prefer to have their coin made from that identical metal which has cost them so much prospecting, anxiety and privation, and has thereby in a manner become endeared to them. There is a sort of gratification, a pardonable pride, in laying by coin manufactured from raw material dug out of the earth with one's own hands; and this feeling, added to the saving which would accrue to all parties from having a Mint here, would cause a very large amount of the product of our gold fields to find its way into the Mint, were it in operation.

It does seem unaccountably strange that as early as '58 and '59 Governor Douglas urged upon the Imperial Government the importance of establishing a Mint, and mourned over the fact that all our gold had to go for coinage to a foreign country, and after getting one and incurring the expense of putting it in working order, it has been permitted to lie idle and rusting for over twelve months, while the evil of which he complained so bitterly five years ago has not only continued but has greatly augmented. Business men and miners are still paying a heavy percentage for procuring coin from San Francisco in exchange for their gold, and the inducement still exists for our miners to leave the Colony during the winter in order to get the gold minted.

If we had not a Mint and the petition were taken that we could not afford to get one, we could understand the matter. But when it is considered that we have one all ready to go to work, at a cost to the colony of not less than \$15,000, and, moreover, that we have the force to work it too, the policy, if such it can be called, of allowing the establishment to lie and rust, while the commerce of the country is suffering for want of coin, is entirely beyond our comprehension. We are assured by practical men that with the present staff employed in the Assay Department the Mint could be worked perfectly well without at all interfering with the efficiency of either. We of

²⁶⁸ From A DORMANT MINT. (1863, June 27). *British Columbian*, p. 1.

course do not know what explanation of this strange proceeding His excellency has given at the Colonial Office, or whether the Duke is not too lazy and indifferent to our interests to require any explanation at all; but we do know that the people from whose pockets the \$15,000 have been filched will expect, and when the time arrives, demand, to know why they have been subjected to such singular treatment at the hands of the absentee Governor.

We, of course, have our own solution to the seeming mystery; and it is that the Governor desired to have the Mint in Victoria, and that having been circumvented by Capt. Gosset, he determined that we should not derive any benefit therefrom. We feel confident that had he succeeded in having it located at Victoria it would have been in active operation all this time. It may seem unreasonable to accuse a Governor of a British colony of being actuated to such an extent by personal interest and local considerations. But we are by no means confined to this solitary case as a proof of the truth of the accusation. Indeed, there are but few of his official acts since he assumed the reins of Government which do not point unmistakably to the same conclusion.

“Legislative Council”²⁶⁹ (April 23, 1864)

The Mint question came up as the next order of the day, when the Hon. J. A. R. Homer asked to have the discussion of the subject deferred for a week, as he had just received certain important returns, only to-day placed on the table, and was not quite prepared – Agreed to.

“Leave granted”²⁷⁰ (May 4, 1864)

Hon. J. A. R. Homer asked leave to withdraw his request for a Committee of the Whole on the Mint Question – Leave granted.

“Fourteen thousand dollars thrown away”²⁷¹ (August 17, 1864)

It will still be within the recollection of our readers that in the autumn of 1862 the late Governor all at once conceived the idea of establishing a coining apparatus, and with a haste which did not usually characterize his official acts, dispatched an official to San Francisco to procure one. The machine arrived in due course, but with an inexplicable perversity the mandate was issued to “grease it and lay it away.” This command our eccentric and energetic little Treasurer managed to circumvent, and the result was that the machine was set up, put in motion and a few specimen ten- and twenty-dollar pieces struck off, and very handsome coins they were. But here the matter dropped, and up to the present nothing has been done in the direction of coining, the building being locked up and the costly machinery permitted to lie and rust.

²⁶⁹ From Legislative Council. (1864, April 23). *British Columbian*, p. 3.

²⁷⁰ From Legislative Council. (1864, May 4). *British Columbian*, p. 3.

²⁷¹ From Fourteen Thousand Dollars Thrown Away. (1864, August 17). *British Columbian*, p. 3.

Various explanations of the Governor's conduct in acting so erratic a part in connection with the matter were given, the prevailing opinion being that he was acting under Victoria's influence in peremptorily ordering the suspension of the movement. And this opinion appeared the more feasible in view of the fact that the people of that town made a desperate effort to have it established there instead of here [at New Westminster].

At the time His Excellency's intention of procuring such a machine from San Francisco became known we opposed it upon the ground that it would only prove a waste of money, strongly advocating the taking of a little more time so as to procure a thorough minting plant from England. But, although disapproving of the Governor's course in getting such a thing, once it was obtained, we of course strongly advocated the working of it. That, however, was never attempted, and, as we have already said, the machinery is locked up and rusting, at an expense to the Colony of about \$14,000 – \$11,000 for the plant and \$3,000 for the buildings and labor of setting up and putting in order the machinery. And, what is worse than all, we understand the whole thing is absolutely valueless, as, from the incompleteness of the plant – having no refinery by which to separate other metals from the gold – coin struck by it would not pass current, and would in reality be little better than gold in the bar. Thus it would appear that by this one piece of mismanagement the colony must lose \$14,000.



Early view of New Westminster.

From the *Daily Press* (Victoria)

“The establishment of a mint”²⁷² (October 24, 1861)

A few days since, Mr. Waddington introduced a measure to the House of Assembly, the object of which was the establishment of a mint in Victoria. We are sorry the question had not an opportunity of being properly discussed – not because there was a great probability of its meeting with the views of the majority of the inhabitants, or that there was the slightest chance of its passing the House, but in order that every information in possession of the members on the subject might have been placed before the public.

Any person who has been watching carefully commercial transactions in Victoria for the past month must have been struck with the heavy losses both colonies are suffering for want of coin, although gold in bars and gold in dust could be met with almost everywhere in town. The necessity for the existence of a mint, under the circumstances of abundance of gold and absolute scarcity of coin is surely evident, but when we consider the peculiar circumstances of our case in reference to the miners, the establishment of such an institution becomes more and more urgent. That the mint, however, should be in Vancouver Island, and the expense entailed by its establishment and maintenance supported by the already heavily-taxed inhabitants of this colony, is a scheme with which we by no means coincide.

New Westminster is the proper locality for such an institution, and British Columbia the proper colony for its maintenance. Already is there a Government Assay Office established in New Westminster, which costs the colony at least £1,500 a year for its support. The scheme originated with Captain Gosset and was intended to have been the forerunner of a mint. The great difficulty in the way heretofore to place the establishment of a mint in a favorable light before the British Government was the total absence of data in reference to the yield of gold. No reliable statistics could be furnished, and it was not likely that an enterprise would be indulged in, costing at the outset between £20,000 and £30,000, without some tangible foundation to go upon. Circumstances have now happily changed this condition of uncertainty. The amount of gold which *we know* has come this season from Cariboo, and the prospects which are opened of immense yields next year, fully justify the Government of the neighboring colony applying to the Home Government for the immediate establishment of a Mint.

So important has this question become to us, that without the capacity to coin, we shall be virtually no better off with the enormous mineral wealth of British Columbia, which recent events have displayed, than we were when the gold was coming from the Fraser in dribbles of a few thousand dollars a month. So long as there is a heavy premium for miners taking their gold to San Francisco to exchange it for coin, every lucky digger will take his gold from the colony and leave us poorer than ever in wealth and in population.

²⁷² From THE ESTABLISHMENT OF A MINT. (1861, October 24). *Victoria Daily Press*, p. 2.

The returns from the express office in this town show how fractional a portion of the gold is cashed in Victoria. The reason is certainly obvious – for no miner who has got over \$2,000 in gold will be silly enough to lose from 2½ to 3½ per cent. on the amount, when he can pay his passage down to San Francisco, get his gold turned into coin and have sufficient surplus to carry him over a considerable portion of the winter, all for the sum which is pocketed by the express offices or other establishments that exchange coin for gold. There is another inducement for the miner taking his gold to a country where a mint is established – he gets the proper value for his dust.

In all, when we come to consider the risk, insurance, freight of the value to and fro, loss of time in realizing, and the depreciated price of the metal, we are not wrong in stating that under present circumstances the miners, and therefore both colonies, are losing a percentage that is perfectly startling on the value of the gold produced, from the fact of depending upon other countries for our coin. The inevitable loss to the country in the departure of both wealth and population is of course incalculable, and unless the Government of British Columbia bestirs itself in the matter of establishing a mint, the gold mines of Cariboo will be a curse instead of a blessing to both colonies.

“Departure of miners”²⁷³ (October 27, 1861)

If there was anything wanting to prove the correctness of our remarks from time to time with regard to the necessity of having the town incorporated the present winter, the number of passengers who left yesterday by the Pacific would have abundantly confirmed them. Fully 120 persons took their departure from Victoria in the San Francisco steamer. It is true upwards of fifty of these were Chinamen, but there was still an unprofitably large amount of less Celestial and more substantial “bone and sinew” taken from the country. We do not know, under our present circumstances, whether we are the greater loser from the exodus of individuals or the departure of wealth; but according to present indications we are likely to be no inconsiderable suffers from both sources.

It may be a matter of gratification to know what we are within a few hours’ sail of a colony that can boast of mineral wealth, before which the most lavishly-gifted gold countries elsewhere must “pale their ineffectual rays,” but if our portion is to be nothing more than the stopping place of men *en route* to and from the diggings, we are very much afraid Victoria is not destined to be much benefitted by the riches of Cariboo. What is it to us if Smith makes his \$40,000 or \$50,000 at mining, and remains in Victoria only till the arrival of the San Francisco steamer? How are we benefitted if Brown, whose summer’s work amounts probably to just a sufficient sum to keep him during the winter, should feel disposed to make but a similar stay, in order to reach a country where there would be some prospect of employment during this season of the year? Out of probably 2,500 men who will arrive at Victoria in the course of the next month, there will not certainly be over one-fifth of the number

²⁷³ From DEPARTURE OF MINERS. (1861, October 27). *Victoria Daily Press*, p. 2.

remaining in Vancouver Island, and a large proportion of these, in all likelihood, will be of that class who did not find Cariboo, like Whittington's early conception of London, a country paved with gold. They will be the unfortunates whom fate had failed to favor; and who will prove to even the liquor saloons and lodging-houses but poor patrons. This is evidently to be our position, and we have the enlightened and unselfish policy of those in power to thank for the circumstances.

It is useless now repining at what cannot be helped, and it is equally futile attempting to convince the Government of the folly of its ways or point out a line of policy more consistent with reason and the interests of the country. With anything like ordinary sagacity in the management of affairs we should have had sufficient inducements during the winter in Victoria to have retained the principal portion, at least, of the returned miners until spring. Can anyone point out how even a hundred men, in addition to our present population, are to find a means of livelihood in Victoria the next four months? And what other inducement, we would like to know, presents itself that would tend to keep the mining population amongst us?

The want of coin, as we have shown in a former article, will always drive away the miner whose bags are well filled with dust or bars, and until a mint is established in British Columbia we cannot hope to ameliorate this miserable condition of affairs. On Friday there were merchants in this town actually asking four per cent. for cashing bars. So long as this ridiculous evil exists, we must be content to see the moneyed portion of the miners leave the country; and so long as we have no employment for their less fortunate fellows, we shall, however disagreeable, be obliged to watch their gradual departure from our midst. The one evil it is not in our power at present to remedy, but the other is a disgraceful result, springing from the miserable chicanery which shelved the Road question and the Incorporation Bill.

“The mint question”²⁷⁴ (November 4, 1861)

If it is the prerogative of Government, it is no less its duty, to furnish the people with coin. Our remarks, some time since, on the necessity of a Mint being established in British Columbia, have been fully confirmed. It is now found that every miner who has any amount of gold will take the steamer for California. The plain fact stares us in the face – there is not money enough in the town to purchase one quarter of the gold brought down by miners, even if the outrageous discount of 5 per cent., which is being asked, were allowed by the disposers of bars. The injury which this state of affairs is daily inflicting on the community, can scarcely be calculated. The money of the mining class is just as effectually locked up, so far as the ability to spend it is concerned, as when it reposed undisturbed in the creeks of Cariboo.

We do not expect banks or express offices, even if they possessed sufficient capital, to come forward in a magnanimous manner and use the means at their disposal to relieve the country, unless enormous profits result from the transaction. There is only one course that can be followed immediately to benefit both colonies,

²⁷⁴ From THE MINT QUESTION. (1861, November 4). *Victoria Daily Press*, p. 2.

and that is for the Governments of British Columbia and Vancouver Island to purchase with their available cash all the bars that issue from the Government assay office at New Westminster. After repeated advocacy of this question last year in the *New Westminster Times*, the Government of British Columbia allowed the Treasurer to purchase gold within a certain limit. The bars were sent to San Francisco in charge of a trustworthy messenger and exchanged for coin. The result was satisfactory in the extreme; although the powers of the Treasurer were injudiciously confined to a small fraction of the money then in the Government coffers. As it was, however, the scheme was too much opposed to the red-tape-ism of the Colonial Secretary, and was, like every other measure that appeared likely to benefit the country, "shelved." If the want of coin to purchase bars was found to be so inconvenient to the commercial transactions of the country then, what must be the effects now, when after a period of almost unlimited credit the merchant and trader are obliged still further to lie out of their money, although one quarter the amount of gold has never before come down the river?

The Assay Office at New Westminster is an expensive institution, and unless connected with a Mint, or aided by the Treasury, purchasing its bars will prove but little benefit to the community. The men who are employed in the establishment have exceedingly high salaries, and are certainly not one-third of their time engaged. It is, therefore, under present circumstances, a dead loss to the Colony. By purchasing the bars assayed at its own office, the Government would be giving to the Assay Department the benefit of an almost exclusive monopoly, and what with the percentage on the great addition to the present amount of gold assayed, and a moderate discount on the bars, the scheme would result in a considerable acquisition to the British Columbian revenue. The benefits conferred on the trading community and on both colonies generally, would far exceed even the increased amount that would be added to the revenue of the neighboring colony. It is the duty of the Government to see that the country is supplied with coin, and unless some such efforts are shortly made as we have suggested, the consequences will be as serious to the country as to the Government of British Columbia.

The Monetary Question²⁷⁵ (Monitor, November 8, 1861)

Your contemporary the *British Colonist*, allege if I mistake not, that the proposition of Mr. Waddington for the establishment of a Mint was not entertained because it was thought that such an establishment would not pay. I believe that the opposition from the Government mouth organ to that bill arose from the same determination manifested on all similar occasions, not to allow any bill of importance from an opposition member to receive the countenance of the government clique. The immense expenses involved were of course admitted because it seems no one could gainsay them. I know, however, that it is not so many years ago that in some of the Spanish-American Republics, where they coined perhaps \$15 to \$20,000,000 in silver

²⁷⁵ From MONITOR. (1861, November 8). THE MONETARY QUETTION [sic.]. *Victoria Daily Press*, p. 3.

annually, the work was done by hand, for I have seen it performed; therefore the great expense remains to be proved, for my opinion is that very inexpensive machinery would suffice for the purpose of coining gold, the most ductile of metals. What does our modern Solon (or Solon's bird) propose as a substitute? That the government should issue or guarantee the issue of a certain amount of notes, of course payable on demand at the office of issue, the result of which would be, that unless the issuer had coin to meet the whole amount, he would be insolvent in twenty-four hours, for as soon as the notes were taken the coin would be demanded for them. It was, however, proposed to keep (what they had not!) an amount of coin in hand equal to that of the notes issued! If you have the coin, why issue the notes?

A plan was adopted in California which might be improved upon and introduced here. They ran ingots into ounces running from one ounce upwards; they afterwards had slugs of \$50, and then gold coin of all the American denominations.

It has occurred to me that if the Assay Office at [New] Westminster could run the gold presented for such purpose, into \$20 ingots, that is to say, into ingots that would be worth \$20, *or would produce \$20 net coin*, the miner, or merchant who might take his dust to the assay office, would only lose the cost of coining them instead of the 3 to 5 per cent. at which their bars are discounted, and perhaps not even that, for the silver in the gold dust of lower standard would yield something towards reducing the amount included in the ingot, to meet the cost of ultimate coinage.

Gold in any form that would pass freely current as a \$20 piece does, I think would go very far towards relieving the inconvenience felt by the scarcity of coin, and would have the great advantage of being sought after for remittances to Europe, as the coining process is possibly cheaper there, and jewelers would also seek after gold in such form with avidity, containing 1½ or perhaps 2 per cent. more than its face.

“The scarcity of coin”²⁷⁶ (November 13, 1861)

It is now about a week since His Excellency had a conference with several of the merchants and traders in Victoria, in relation to the injurious effects which were being felt in the community through the scarcity of coin, but nothing apparently has yet been done in the matter. It is certainly strange, where so much interest is at stake, that the subject should be allowed to drag its “slow length along” in newspaper comments and street corner discussions, without some energetic action being taken by the Government. Up till the present we are not very considerable losers by the departure of miners and their dust, however much we may be through the want of a medium of currency in town, but the next two or three days will very likely make a startling change in the former respect. There will be really no one to blame for this departure of wealth and population but the Government. There are numerous schemes, as temporary expedients, which might have been already adopted, and would have proved effectual in stopping the valuable exodus. Several of these have been discussed in our columns, and not one of the plans would have entailed a delay

²⁷⁶ From THE SCARCITY OF COIN. (1861, November 13). *Victoria Daily Press*, p. 2.

in being carried into execution of even a few days. We have advocated the feasibility of devoting the principal portions of the moneys in the British Columbia Treasury to the purchase of bars assayed in New Westminster, and transmitting the gold to San Francisco for American coin. Then again, our correspondent "Monitor" has shown how easily dust can be coined, after the system pursued some time ago in the Spanish American Republics. Then the San Francisco system of early times was suggested, by which ingots were run into ounces from an ounce upwards; and again the idea was put forward of running the gold into \$20 ingots.

Now, as each and all of these suggestions could have been carried into immediate and practical effect, it does look rather strange that no steps should be taken by Government on the question. Perhaps when gold and miners are both gone something will be done, or at least the matter taken "under serious consideration." It would be rather inconsistent with the gravity of Red Tape to be in a hurry. In fact, it would seem vulgar. And of course it would be much better that the country should suffer – that men in anticipation of a large population in Victoria during the winter season, had gone into expensive enterprises, should become insolvent – that every description of industry should be brought to a standstill – that a thousand other potent evils should fall upon the colony, rather than that the even tenor of our lackadaisical Government should be invaded by those attributes of the commonalty – energy and rapidity of action. There are numbers of miners at present in Victoria determined to leave by the steamer which is expected in a day or two. Did the authorities only make public their determination to give immediate relief to those possessing uncashable bars, the number of intending departures would be limited to an extent that would cause no uneasiness. Let the Governor, if the above schemes are considered too complicated, even authorize the Assay Office at New Westminster to run the miners' gold into *small* ingots with the value stamped on their face, and we are certain they would pass current in either Colony. Something ought to be done, and that immediately, for unless dispatch characterizes the movements of the Executive on the question, but little time will elapse when the most energetic efforts will be of no avail.

"From New Westminster"²⁷⁷ (April 4, 1862)

The gunboat Forward arrived this morning from New Westminster, whither she had taken the machinery for the Mint, and the schooner Nanaimo Packet. There is not much news from the up-country. A gentleman in town received a letter from Lillooet, in which it is stated that the frost at night is still severe. There is a great scarcity of money at that place, and if loaned out, [it] will bring 7 per cent. per month.

²⁷⁷ From FROM NEW WESTMINSTER. (1862, April 4). *Victoria Daily Press*, p. 3.

“The want of coin”²⁷⁸ (October 14, 1862)

The evil which did so much injury to the trade and progress of Victoria last winter is already beginning to bear down upon the community. The gold dust of Cariboo only remains with us until the departure of the California steamer. The miners, at least the successful ones, who would be a desirable acquisition to the place, are beginning to follow suit, and we shall really have nothing to show for all the gold taken out of the neighboring colony but a superabundant supply of labor.

All the evils of the want of a mint were fully pointed out by the press last year. At that time we advocated the desirability of having the institution established at New Westminster, on the ground that the Government Assay Office was already in operation at that place, and the men employed by the department idle more than three-fourths their time.

We have been disappointed – woefully disappointed at the result. A mint has been established; but, whether through incompetence on the part of the workmen or blundering on the part of the government, it has proved so far a failure. No coin has made its appearance for general circulation, and we are just as badly off as we were last year. The gold, as we have said, continues to go to San Francisco, in the absence of mechanical appliances to turn it into coin; the miners will not pay the discount which obtains here for converting the raw material into currency because they find it a considerable saving to take their dust to the San Francisco mint; and so the wealth of the country, embodied in the produce of the mines and in the muscle of the miners, disappears.

A remedy for this incalculable evil must be very speedily adopted, or the colony will experience a retrograde movement that will retard its progress for almost an indefinite period. The Vancouver Island Government has opposed establishing a mint, on the ground of expense – a very valid reason, no doubt; but there are practical men in Victoria not only capable but willing to undertake the task on their own responsibility. It is quite evident the government of either colony is incapable to carry out the undertaking, and the sooner private enterprise is allowed an exercise of its capacity, the better. With a little judgment the individual who coins and the public who receives the benefit of a proper supply of circulating medium could be equally protected. The benefit to the community of being able to retain much of the gold that is now exported – not for the purposes of merchandise, but because the miner is unable to obtain a proper price for his dust – would be beyond calculation – whether we look at it as a means of keeping miners of wealth amongst us, or of causing a more plentiful circulation of money in the place.

²⁷⁸ From THE WANT OF COIN. (1862, October 14). *Victoria Daily Press*, p. 2.

From the *New Westminster Times*

Reid does not make use of this source, but it provides several interesting perspectives that complement the other sources.

“It is rumored”²⁷⁹ (November 19, 1859)

It is rumored that the Government contemplate the issue of a provisional order (any permanent act must emanate from Her Majesty alone) to render the American dollar a legal tender, in ordinary transactions for the sum of 4s. 1d. sterling, from the 1st of January next, this being the rate at which the seamen and troops are to be paid in future, and this rate (about \$4.89 to the £1) being perhaps now, after considerable variation, as nearly as possible the real market value of the respective coins here, and not liable to change for some time.

It would be very desirable if there be any change of permanency in our retail rates (exchange transactions, of course, fluctuate from hour to hour) that the Government should take some steps consistent with the expected arrival of English coin, whereby the public may be truly guided. At present in no two shops can one calculate that the same coins we may tender in payment for a purchase will be received at the same rates.

“We entirely dissent”²⁸⁰ (December 31, 1859)

In a long article, headed “Colonial Mint,” the *Colonist*, some days ago [December 17], essayed to prove that such an establishment here [at New Westminster] must of necessity become a failure. Now, from this proposition, in the face of the appalling amount of figures brought to bear against it, we entirely dissent.

Assuming that our contemporary’s figures are correct, we think the conclusions drawn therefrom are altogether wrong. Because the average yield of the mines is now \$1,500,000, it is unnaturally inferred that it will always remain so. Yet, in the very same columns it is asserted that the yield is increasing, and expected to increase to a large extent next year. The propriety of at once establishing a colonial mint to keep pace with the rising wants of the colony is at once apparent.

At present the strange anomaly is presented of [the] government equalizing our sovereign with the American five-dollar piece, and of the mercantile body refusing to receive it as such. Now, in the event of a mint being established, the colonial sovereign could be made equal in value to the five-dollar piece, by putting more gold into it than there is in the regular English sovereign, and the same with its aliquot parts. The coin of England and America – the two great trading nations of the Pacific – being thus equalized in value, the only difficulty in the whole matter that we can

²⁷⁹ From It is rumored. (1859, November 19). *New Westminster Times*, p. 2.

²⁸⁰ From In a long article. (1859, December 31). *New Westminster Times*, p. 2.

see is dismissed; for we presume that the Home Government would make full allowance for additional value of our colonial coin.

The advantages would be immense – a large revenue which, at present, finds its way into the pockets of private individuals, would tend to enrich the Colonial Treasury, and the English Government would reap one of the fruits of an English gold-producing country, instead of a foreign country doing so, as at present. The private circulation would daily increase (it is put at the minimum by our contemporary) and the advantages of having a mint of our own will be apparent to the people in all those many ways which our contemporary so graphically describes.

We venture to say, it will not only shortly pay its own expenses, but will become a source of revenue to these colonies, and we sincerely thank the Home Government and our able and energetic Treasurer, for the zeal and promptitude displayed in the matter – a boon, which Australia did not obtain for years, has been accorded to us at once; and we are well aware that to the Treasurer is the credit due.

We anticipate a rich harvest from the mines next year, and were we to wait, as the *Colonist* so prudently advises, we should see a whole year's profit slip through our fingers. The taste in which the article we are commenting upon was written, was as bad as its logic. Our contemporary cannot help always protruding its disgust at any word, though, or sentiment English, and in this special instance loudly and undisguisedly crows at the hoped-for fact, that we must always remain dependent upon San Francisco. Were our contemporary *avowedly* American in his feeling and sentiment, and were he to come forward and boldly hoist his colors, we could pass over his partiality, as we honor all those who honor their country.

Tearing away a thin veil of statistics and wretched logic, we discover nothing but chagrin and ill-humor, at the idea of the Queen's head usurping the place of the American eagle, and the badge of "Merrie England," that of the emblem of republican liberty. What our contemporary means by our "objecting to have liberty thrust beneath our noses," we cannot understand. If it be an insinuation that we dislike liberty, we can only attribute it to his general ignorance of English feelings and character. Its presence on the foreign coin in use as authorized circulating medium, we certainly dislike; but its real living presence is as dear to the hearts of Englishmen as to any nation on the face of the globe: for if we have made sacrifices such as no other people would attempt; to it America owes the groundwork of her liberal government and institutions; for English law is American law; but we candidly confess we prefer liberty in its good old English garb, than when dressed in republican garments.

But though the *Colonist* is the originator and possessor of everything honest, good and pure – editor included – still we cannot help thinking we know something about colonial matters, after fifteen years' experience, not in Nova Scotia, but *every colony* under the British Crown – not even excepting Hong Kong. We therefore meekly cling to our own ideas upon the matter, and to our love for the "dear little island;" and we are afraid that in this respect we shall get credit for that John Bull obstinacy so much spoken of by foreigners.

We shall continue to nurture these feelings, and above all this one – that we don't like to see our money going into other people's pockets without receiving some equivalent in exchange, and dependence on other powers and places, is a proposition that sounds not prettily in our ears; therefore in despite of our contemporary's sentiments upon this subject, it is probable that we shall support our "financial myths," in their determination to face the prophesied ruin, and confer a lasting benefit to the colony.

"Local intelligence"²⁸¹ (December 31, 1859)

Capt. Gosset has received official intelligence from the Master of the Royal Mint, London, that the staff of the Assay and Refinery branch of the British Columbian Mint have been selected and may be expected by the next or following mail steamer. Chemicals for analytical operations had been sent by long sea route some months prior to the Master of the Mint's communication, as to the usual factory. Captain Gosset intends adding a geological museum, and a Chemical Department for the examination of all ores. The names of the officers now on the way are, Mr. Claudet, assayer, Mr. Bacon, melter; Mr. Bonsfield, assistant assayer; Mr. W. Hitchcock, operative melter.

"Want of a mint"²⁸² (O.P.Q., January 21, 1860)

Sir – Under the above heading, a communication recently appeared in your paper,²⁸³ containing so many strange allegations that one is tempted to state a few facts in correction.

The old British sovereign (*vide* McCulloch) bears the intrinsic value, as compared with the United States half-eagle, of \$4.80; the recent coinages \$4.87 120-1200ths. The U.S. Customs receive them indiscriminately at a nearly mean rate of \$4.84.

The attempt to raise the sovereign to a fictitious value must fail; as in a free commercial country all such ill-advised attempts necessarily must. With whomsoever the idea originated, the practical effect of declaring the sovereign equivalent to the half-eagle, innocuous in some cases perhaps, has in others been pernicious, and is unjust. To the mercantile community importing into British Columbia, it has been a boon (of which I need not say they have been keen enough to avail themselves) – a boon, that is, to the extent of three per cent upon the gross amount of duties paid by them. To the colony of British Columbia it has been *por tanto* a loss.

"British Columbian"²⁸⁴ will perhaps respond, "Not so; we pay out our sovereigns at the same rate we receive them." Softly, my friend! In doing so you in

²⁸¹ From Local Intelligence. (1859, December 31). *New Westminster Times*, p. 2.

²⁸² From O.P.Q. (1860, January 21). WANT OF A MINT. *New Westminster Times*, p. 4.

²⁸³ The Victoria Gazette, from which this article has been reprinted. I have not found a copy of the article mentioned.

²⁸⁴ The pseudonym of the author of the article referred to.

many cases *defraud* the recipient. This is plain language; but it is nevertheless true. Having a claim upon you for so many *dollars* (and many of the services rendered to the Government are stipulated for in dollars), no enactment can render it equitable to foist on anyone a coinage of inferior value, in liquidation of a superior claim. In short, the unwilling recipient is robbed of the difference. That which the importing merchant had previously gained in the payment of duties, the Government creditor in turn loses.

Your correspondent talks sagely of an imaginary purchase of sovereigns at \$4.80, for remittance to Australia at \$5.00! The fact is, it would pay the merchant to import sovereigns from San Francisco, simply to pay his duties with. Sight bills on San Francisco can be bought here with half-eagles at par: Sovereigns can be bought in San Francisco for \$4.85 (or less); they can be remitted for one per cent – thus leaving to the importer (for the purpose mentioned) a clear to per cent. of profit on the transaction.

I will put one question to your correspondent:

“What is the value of a thing, / But just as much as it will bring?”

What, then, will a sovereign bring in Victoria? What in San Francisco? Whether in the purchase of merchandise, or in exchange, its value is four dollars and eighty-five cents – and nothing more. The fact is patent and cannot be gainsaid.

However, to put the case in a clear light. Did “British Columbian,” or any other man wish to remit £100 in specie in London, and were the option afforded him of remitting in sovereigns or half-eagles at equal rates of purchase, which would he select? I know not; but this I know – that upon every half-eagle in London, the exchange-broker to whom he might apply, would allow a premium – that is, that “British Columbian” would, in exchange for his half-eagles, receive as many sovereigns, with so many sixpences (or thereabout) in addition.

British Columbia, however, it is consoling to reflect, is not the only colony in which financial blunders have been made. The example of Hong Kong is one pregnant with instruction – instruction, that is, *ad evitandum*. Sir John Bowring (and I need not apologize for quoting him as an authority on this subject) says in his work on a decimal currency, page 182 – “The errors of legislation may to a great extent be traced to ignorance or miscalculation of the powers of legislation; and no error is more common than the supposition, that the exchangeable value of coins and currency can to any considerable extent be regulated by law. In Hong Kong, for example, her Majesty’s orders in council have proclaimed that a Spanish pillar dollar, and a dollar of Mexico shall have the same current value – in the face of a notorious fact, that a Spanish dollar is habitually received at a premium of from 2 to 10 per cent. above the Mexican. A sovereign is ordered to pass for four dollars and eighty cents, though it sometimes (gold not being current in China)²⁸⁵ will not produce within 8 to 10 per cent. of that value, and in the ports of China has been known to be at a discount of more than 20 per cent.”

Further on he says:–“I have referred to Hong Kong as being an example of bad legislation in currency questions. No case more clearly so, and as far as the public

²⁸⁵ China’s currency was based on silver.

service is concerned, more injuriously exhibits the absurdity of attempting to maintain, and the impossibility of maintaining, various coins at fixed and invariable value, than is exhibited in the legislation of the youngest of our colonial possessions – the island of Hong Kong.”

I shall not dwell upon your correspondent’s peculiar ideas concerning the “balance of trade.” A few doses of McCulloch, seasoned with a pinch or two of Adam Smith, would tend greatly to restore his reasoning powers to a more healthy condition. I proceed, therefore, to remark on the “want of a mint” – of course we want a mint. And why? Simply because we want coin; and we cannot import coin without cost; mints, however, are expensive luxuries, and young colonies cannot indulge in them at once. Meanwhile the coin is wanted; and as coin is a marketable commodity, just as broad-cloth or blankets are marketable commodities, we buy it in that market where we can buy it the cheapest. We do not go to London; it costs too much to buy it there. We do go to San Francisco, for the contrary reason. Let it be borne in mind that we now occupy the position on this coast that San Francisco once did – this alone excepted, that San Francisco had not then the advantages of rapid communication which we now enjoy. Coin had then to be purchased at a cost far exceeding that which it would now cost us to import from England. By the establishment of a mint in San Francisco, a local coinage has been created; and that portion of the mining product of the country has been turned into money, which must else have been exported in a crude state, to pay for imported coin. Let it not be lost sight of that we, too, participate in the benefits, financially considered, of this mint, thus established at our very doors; and that, until our own mint be established – as established it sooner or later must be – we may thankfully avail ourselves of the coinage of our neighbor.

Let “British Columbian” not fret uselessly on the subject. No argument of his, no enactment of any individual or any legislature, can alter the positive, relative value of the different coinages of the precious metals. Their currency, as a legal tender, may be interdicted, but their value stands unchanged. Merchants know their own business too well for this, and I am sure that the merchants of Victoria are not behind the rest of the world in this respect; although doubtless deeply indebted to “British Columbian” and the wisdom of “New Westminster” for most valuable, and certainly most original, admonitions on the *currency question*.

A word to “British Columbian” at parting. The offence of depreciating the coinage of the realm is unquestionably a grave one – something very like *high treason*, in short; the first time, therefore, that he detects anyone in the act of “clipping,” “rounding,” “filing,” or “washing” the said coins,²⁸⁶ I would suggest his lodging an information with the nearest magistrate. I cannot inform him as to the exact amount of penalties attached to conviction; but as it is, doubtless, something very

²⁸⁶ All of these were ways to shed precious metal from a coin while still allowing it to pass current, albeit looking worn. For example, “clipping” involved trimming any excess material around the design of the coin. The gold (or silver) obtained in this way would then be sold at a profit. “Milled” coin edges – the scored lines on the thin edges of coins still seen today – were introduced to make it trivial to detect clipping.

disagreeable, he will, perhaps, judge it expedient to waive the assertion of his fancied claim to share them.

“Common sense”²⁸⁷ (British Columbian, February 18, 1860)

Sir – Absence from this town prevented my seeing a communication contained in your paper of the 21st ultimo sooner. This letter, written evidently by an American, and signed “O. P. Q.” was, I presume, an answer to one of mine published in one of your previous issues.

It is very evident our American friend fancies his coins better than any others and wishes to force them upon us. He depreciates French or Russian, and even our own English coin, and upholds the superiority of his own, wishing us to take them at a high premium. O. P. Q. tells us that he can get in London 20s. 6d. for an American five-dollar piece, with the price of gold at £3 16s. 8d. per oz.; the price of gold here is about £3 8s., or \$16 per oz., a difference of about 12½ per cent., therefore the real value of his coin here is only 18s. It contains less fine gold than the pound sterling, although from being alloyed with silver instead of copper, its weight is made up. This is an American dodge, and one which shows their *smartness*, being the next heaviest metal to take for an alloy. Now, I want to know if war were to break out between the two countries, what guarantee have we that we should get 20s. for these five-dollar pieces, or whether we are not pretty certain to have a repudiation? For the sovereign we have the honor of our own beloved England, and which we know will always have the 20s. forthcoming for those coins, even if they were not a legal tender in every British possession.

In Australia, the American piece is only worth 18s. 6d., and why in the name of common sense should it be at a premium here? An attempt is evidently being made to get the weather side of Johnny Bull, and to have a trade and do us out of something by this coinage – we have no occasion to grumble at New Westminster, for we gain 3 per cent. in the exchange when we do business direct with San Francisco instead of Victoria, and I am gaining this amount on my present importations, therefore if men do not know their own interests, I should be the last person to wish them to find out so profitable an affair, if they had not touched my patriotism in depreciating the value of my country’s coin, &c. If O. P. Q. tries this, he will find I am right. Let him get goods direct and send down gold dust and he will gain the amount mentioned. Our exchange on Victoria is 3 per cent. discount, and on San Francisco at par. In answer to O. P. Q.’s question, as to the price of the sovereign in Victoria and San Francisco, it is worth \$4.85 in Victoria, and \$4.99 or \$4.95 in San Francisco, which is an anomaly in the latter place, as bills on *London* at short dates are worth \$4.95 and \$5, and coin ought to be at the same rate.

Hong Kong is more a military station than a large colony; let our friend argue on Australia if he wishes to draw substantial comparisons, as it is a gold-producing colony like this [one]. A sovereign there is worth 20s., and as I have before said, an

²⁸⁷ From A BRITISH COLUMBIAN. (1860, February 18). Absence from this town. *New Westminster Times*, p. 2. The letter is dated February 4, 1860.

American \$5 piece is only 18s. 6d.! The penalty for depreciating the coin of the realm cannot be met by a monetary fine, but entails a punishment of four years penal servitude, and to this penalty *all* the Victoria merchants who have signed the coin valuation list, printed at the *Colonist* office, have rendered themselves liable, and *may* be proceeded against at any moment.

We want a mint here very badly; we have scarcely any small coin in the country, and it will never prosper until a mint is formed. We are most willing to pay a tax for its support; all foreign coins then imported will have to be taken to our mint, and re-coined as in all other countries. Fancy how would the Russians feel if a French coinage were attempted to be forced against them? The government in their territories have very wisely *forbidden* the circulation of any coins except their own, and all foreign coins are immediately sent to the mint for re-coinage, *as soon as they are imported*.

Or to place the matter nearer home, how would the San Francisco folks like us to force the English sovereign upon them, and *nolens volens* depreciating their own coins.

We have set our faces against this dodge here; the English sovereign is worth 20s. or \$5, and must be received as a legal tender at this rate. We want no foreign currency to be the standard, whether American, French, or Russian. We British Columbians shall hail the mint as an inestimable boon, and if foreigners do not like it, the best way for them is to leave, as we recommend O. P. Q. to do, where he can enjoy the currency he so adores; but if he resides here he must be content with ours, remembering that "in Rome he must do as Rome does." In conclusion, allow me to say that if we have to borrow money, which we can do, to any amount in London, with a colonial guarantee for 8 per cent per annum, let us have roads to the Upper Country, a mint, and Governor Douglas resident amongst us, as his Pre-emption and Small Debts Proclamations have shown us that he is not afraid of responsibility in a good cause, and it has rendered him very popular; and if we can only get a Lieutenant Governor for Vancouver Island, as staunch an Englishman and known well for his loyalty as he is, we shall then be independent and prosper, and look on with indifference as to what price the Victoria people take our coin at; and we shall soon be quite independent of them. At that not far distant period, won't they envy a British Columbian.²⁸⁸

²⁸⁸ In the original, A BRITISH COLUMBIAN is in capitals, doubling as the author's signature.

“Ever the more questionable”²⁸⁹ (O.P.Q., February 25, 1860)

Sir – Your correspondent, “British Columbian,” still harps on the currency question, and in a long communication, expounds his views under a new phasis, but without attempting to controvert the arguments of O.P.Q.

O.P.Q. has neither the leisure nor the inclination to enter upon a long disquisition to instruct “British Columbian” in the rudiments of a question which he fears the latter would fail withal to comprehend. He will, however, while referring your correspondent to the previous communication of O.P.Q. for much information which, duly considered, may be useful to him, briefly comment upon some of “British Columbian’s” more recent statements.

Imprimis: O. P. Q. fails to perceive how the *relative* value of gold (i.e., the crude metal) in New Westminster, as compared with its value in London, at all, applies to the relative values of two distinct coinages of the same standard metal in a manufactured state.

In the next place, when “British Columbian” gravely informs your readers that the half-eagle of the United States “contains less fine gold than a pound sterling, although from being alloyed with silver instead of copper its weight is made up.” O.P.Q. tells him, what he has already told him, that he misstates a fact, and argues upon a fallacy. The British sovereign of the latest coinage weighs 123-310 grains, and contains 22-24th parts of pure gold. The American half-eagle weighs 129 grains, and contains 900-1000th parts of pure gold.

Thus estimated the half-eagle shows a preponderance over the British sovereign of 3 grains of fine gold; which at the present mint standard price in London, of £3 17d. 9d. per ounce, amounts to within a small fraction of seven pence. If compared with the old sovereign, as given by McCulloch, the difference would be greater.

In the fact of facts like these, your correspondent naively enquires, “Now, I want to know if war were to break out between the two countries, what guarantee have we that we should get 20s. for these five-dollar pieces, or whether we are not certain to have a repudiation?”

O.P.Q. replies that, having the half-eagles, you have the *material* guarantee in your hand. Gold, being universally adopted in the commerce of civilized nations as the standard of value, will always command its price. It is not a question of paper money. Had it been so, the query of “British Columbian” would have been more apposite: the reply of O.P.Q. possibly different.

O.P.Q. does not quite agree with your correspondent’s low estimate of the mercantile importance of Hong Kong. Having, moreover, adopted the example of that colony to illustrate the folly of ignorant legislation in currency matters, O.P.Q. does not consent to a change of venue to another colony (Australia) with the circumstances of which he may be less familiar, but where the same immutable principles must necessarily prevail. The asserted fact that the half eagle in the latter-named colony

²⁸⁹ From O.P.Q. (1860, February 25). Correspondence. *New Westminster Times*, p. 2. The letter is dated February 21, 1860.

bears the value of 18s. 6d., only (admitting its very questionable correctness for argument's sake alone) proves nothing. If established, it would only tend to show that there was less demand for that particular coin, at the time, than for other coins required either for circulation in the colony itself, or for remittance elsewhere; at other times, for the latter purpose a premium would be demanded; just as in the case before quoted by O.P.Q., the British sovereign is frequently at a discount of 8 or 10 per cent., and even has been known to be at a discount of 20 per cent. – simply because it is not current in the ports of China, and as a means of remittance was not in demand. Would it be legitimate to argue thence, that the value of the sovereign was depreciated?

It would be in vain for O.P.Q., however, to endeavor to enumerate the contradictions, anomalies, and absurdities to be found, in the system of currency, in the various British colonies. It is a tedious but instructive list, and well worthy of the notice of our government here, before they enter unadvisedly upon measures which once resolved on, may entail lasting regrets.

O.P.Q. will not enter upon a full review of “British Columbian’s” mercantile idiosyncrasies; the question upon which he plumes his own peculiar tact, is one of obvious application. But as regards the supposed anomaly in the value in San Francisco of good bills at short dates upon London, as compared with the received value of the sovereign, is easily explained. By the *sovereign* is to be understood the *coined representation of the pound sterling* – not the pound sterling of a first-class bill. These in San Francisco are very different things; the hard coin can be purchased at a rate even less than the valuation decided upon by the Victoria merchants (and, by consequence, for very considerably less than the fabulous limits your correspondent is pleased to assign). Merchants in San Francisco desire to remit in the cheapest form. Good bills present themselves and are readily bought at from 48d. to 49d. stg., accordingly as the demand for remittances is greater or less, and the consequent competition stronger. It is in these fluctuations of exchange that the “balance of trade” is to be detected; and here that the intuitions of “British Columbian” are once more so egregiously at fault.

The British Government, while restricting the legal tender in Great Britain to the Imperial coinage, have wisely never objected to the circulation of foreign coin in any of their colonies. On the contrary, they have ever been only too desirous to encourage the importation into the colonies of coin from other countries, in order to husband the efflux of the coined metals from the parent country. All they have ever done was to establish the intrinsic value of the different coins as a legal tender; and it is in this unreflecting attempt to regulate and fix that which in its very nature is shifting that the various anomalies and discrepancies of the colonial currencies have arisen. The wisdom of the government in fostering the circulation of other coinages than their own in the colonies, admits of easy proof. For instance, to go back to the year 1797; in that year, when the bank stopped cash payments, and the country, drained of its resources to provide for foreign subsidies, seemed on the verge of a national bankruptcy, the whole amount of bullion in the bank was £1,272,000. In the panic of 1825, it was even less; but in the panic of 1847 the amount left at the lowest

point of the drain was £9,000,000, of which £8,000,000 were in gold, and of late years from fifteen to twenty millions have not been deemed an exorbitant deposit beneath the vaults of the national bank.

The necessity of husbanding the coined or coinable resources of the parent country is thus clearly apparent; and when we reflect that for some time previous to the discovery of the Ural mines, the annual production of gold throughout the world was not sufficient to compensate the annual waste and wear, the necessity of economy was still more obvious. *Now* the supply is large, and there are national coinages outside the limits of the parent land. British Columbia, too, as a gold producing country, will doubtless have her mint when she can afford it; but even this consummation will nowise affect the intrinsic value of those coins which “British Columbian” seeks in vain to disparage.

By what rule of that well-known Mr. Cocker to whose authority he previously appealed, and at what eccentric rate of exchange does your correspondent convert \$16 into £3 8s.? He is inconsistent with himself, for by his own showing, if the sovereign be worth \$5, \$16 ought to command only £3 4s. Surely, one who undertakes to set the public right on a subject of peculiar difficulty, should have considered more maturely before hazarding a statement such as this? And where now is “British Columbian’s” asserted difference of 12½ per cent. between the value of gold at New Westminster (the crude amalgam or the partially cleansed metal) as compared with the value of standard gold in London? In the first place, the basis of his calculation being proved to be wrong, the whole superstructure necessarily falls to the ground. In the next, gold, as being the common standard of value, rarely varies in the grand exchange marts of the world; more than one-half per cent. beyond the mere cost of remittance between one mart and the other. Thus, as under the value of a standard ounce of gold in London: £3 17s. 9d. The value of a corresponding ounce here, for remittance, at the commercial *par* value of \$4.95 per £1 stg., for 60 days bill is: £3 16s. 7d. Difference: £0 1s. 2d.

One shilling and two pence, that is, or a difference of one-and-a-half per cent.

O.P.Q. is rejoiced to perceive that the friendly remonstrance conveyed by him in his last communication has had the effect of leading your correspondent to sounder views on the degree and nature of the penalties for depreciating the coin of the realm, than he had previously expressed.

In conclusion – for this letter has already extended beyond the contemplated limits – O.P.Q. will briefly advert to one or two extraneous points in “British Columbian’s” letter.

“British Columbian” has chosen to assume, from internal evidence, that the letter of O.P.Q. was written by an American. Behind the flimsy initials which he has chosen to assume, there are probably few who fail to detect the identity of O.P.Q.; and those who thus identify him, appreciate alike his character, his antecedents, and his present standing. Whether the arguments he has adduced upon a subject of grave public interest, be such as to justify the conclusions at which your correspondent has arrived, it is for others, not O.P.Q., to decide.

As an honorable English gentleman, however, O.P.Q. cannot but condemn the bad taste, of which there is only too frequent a display, and of which “British Columbian” has so recently given us an example, of indiscriminate abuse of our neighbors of a kindred race. The covert sneer, the vulgar taunt, pointless in their vulgarity as possibly untrue in fact, are not the weapons wherewith to assail a nation second in greatness only to our own; a nation which, having doubtless, as we ourselves have, points of weakness from which no social community can be entirely free, exhibits nevertheless in its example many points worth of imitation – much indeed to applaud.

Your correspondent takes much credit to himself for his fervent patriotism. Protestations of patriots, however, even as protestations of chastity by a courtesan, are ever the more questionable, the more vehemently urged. The patriotism that founds its origin upon a question of s. d. [shillings and pence] is at best a spurious product; and O.P.Q. trusts that when next your correspondent urges his claim, it will be upon a more reliable, or at least less mercenary, foundation.

“A duty of government”²⁹⁰ (December 8, 1860)

The recent action of the government in enabling British Columbia to acquire coin for bullion tendered at the Treasury occupies an important niche in the still too numerous blanks where monuments of legislation should stand; the credit, however, which is due for so useful a measure we are prompt to acknowledge. In all civilized nations the supplying of coin has almost invariably been regarded as a duty of government – the prerogative being held in the crown, and rightly – for all commerce hinges upon the initial value of the tokens adopted, so it is of vital importance that the most minute exactness should exist in each piece.

The supplying of coin to the people has ever been held to be the duty of governments, and that duty has been always performed by creation of coin through the institution of mints. That we have yet no mint, though we have an important portion of such an establishment in the shape of a Government Assay Office, everyone is well aware; and that we have hitherto suffered not merely extreme inconvenience, but very serious loss upon every ounce of gold raised by our miners, from the want of coin, and the obligation to resort to another colony, or another country for a convenient circulating medium, most persons are equally aware. Express charges on a journey to Vancouver Island or San Francisco, whenever a miner or trader wished to convert his inconvenient bag of dust into coin, with risk, detention, and liability to be imposed upon in the conversion, had been sufficiently long endured when the Government Assay Office – a branch of British Columbia’s future mint – was established in New Westminster.

By this establishment alone, however, but a part of the evils were [remedied].²⁹¹ The chances of impositions and melting down were certainly removed – and it is generally acknowledged that excellent effects have already resulted from

²⁹⁰ From The recent action. (1860, December 8). *New Westminster Times*, p. 2.

²⁹¹ The original has “remedial” here.

the integrity of the government meltings and assays – but for the procural of coin in lieu of dust or bars, British Columbia was still obliged to resort to a distant place. The risk, the insurance, and freight of the value to and fro, loss of time in realizing, and the agreeable reflection that money changers had them entirely at their mercy – demanding 2 per cent. discount to-day and 4 per cent. the next – were evils we are astonished were not remedied before. The chief duty of government – the procural of coin – was still left to private individuals in another colony or a neighboring state.

Here it is, then, that the measure we chronicle steps in with a salutary and sound effect. British Columbians need no longer be at the risk, expense, and loss of time of going beyond their own capital to procure coin for bullion – the government having rightly assumed their proper function of finding money for the people's gold. And we trust that ere many months elapse such reliable information may be obtained as shall warrant the colony in demanding a complete mint of its own, and thus further spare the pockets and time of the community to the value of many thousand pounds sterling per annum.

Government Correspondence

Douglas to Stanley²⁹² (May 19, 1858)

Victoria, Vancouver's Island
19th May 1858

My Lord,

Since I had the honor of addressing you on the 8th of 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 for 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.

That force it is intended to dispatch tomorrow under the direction of an officer of the Customs to be appointed specially for that purpose.

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

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.

The excitement about the Couteau Gold Mines is on the increase, and people are pushing from all quarters in that direction.

In our last accounts from that quarter of the 8th of 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 river 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.

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,

²⁹² From Douglas, James to Stanley, Edward Henry 19 May 1858, CO 305:9, no. 6667, 87. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/V58023.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

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.

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.

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 once assert the rights of the Crown, protect the interests 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.

With those views I proposed an arrangement, on the following terms, to the agent 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.

[The terms were as follows:]

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.

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

3rdly, That they carry no passengers except such as have taken out and paid for a Gold Mining License and Permit from the Government of Vancouver's Island.

4thly, That they pay to the Hudson's Bay Company, as compensation²⁹³ to them, at the rate of two dollars head money for each passenger carried into the Fraser's River.

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

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

The Pacific Mail Steam Ship Company have promised to give a decided answer on or before the 24th of the present month.

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.

²⁹³ [Compensation] for what[?] [Note in the original.]

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

I have the honor to be, Your Lordship's most obedient humble servant,

(Signed) James Douglas, Governor.

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 license 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 eighty 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.

Douglas to Stanley²⁹⁴ (June 10, 1858)

Victoria, Vancouver's Island
10th June 1858.

My Lord,

Since I had the honor of addressing you on the 19th May last, in reference to the "Couteau Gold Mines," and the immigration of foreigners into Fraser's River, as well as the measures taken to assert the rights of the Crown, to enforce the revenue laws of the Empire, and to protect the rights of Hudson's Bay Company, I have as therein proposed, made a journey to the Falls of Fraser's River, visited the gold diggings and seen all the miners below that point, and I will now proceed to give a

²⁹⁴ From Douglas, James to Stanley, Edward Henry 10 June 1858, CO 60:1, no. 7828, 29. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/V58024.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

brief narrative of my proceedings and the information gathered in respect to the auriferous character of the country, in the course of that journey.

In consequence of the requisition for assistance made on Captain Prevost, Her Majesty's Ship "Satellite," was anchored off the mouth of Fraser's River, where I joined her on the following day with the Hudson's Bay Company's propeller "Otter," in which we proceeded up Fraser's River, with the "Satellite's" launch and gig in tow to Fort Langley, distant about 30 miles from the mouth of the river.

The Revenue Officers found immediate occupation in the seizure of several lots of contraband goods, and taking sixteen unlicensed canoes into custody. The latter being manned exclusively with gold miners, and containing only their mining tools, provisions, and personal clothing, without any merchandise for trade, I caused them to be released, granting a pass at a charge of five dollars to each canoe, and the amount, eighty dollars so formed, was carried to account of the public revenue.

The contraband goods will be brought to trial on the 11th of instant under the 167th section of the Customs Consolidation Act 1853.²⁹⁵

From Fort Langley we pursued our upward journey in canoes manned chiefly by native Indians and accompanied by Captain Prevost in his gig manned with six of the "Satellite's" seamen.

After journeying four days we reached Fort Hope, the next establishment of the Hudson's Bay Company, on Fraser's River, and about eighty miles distant from Fort Langley.

The actual gold diggings commence on a Bar of Fraser's River, about one mile below the point on which Fort Hope is situated, and from that point upwards to the commencement of the Falls, a distance of twenty miles, we found six several parties of miners, successfully engaged in digging for gold, on as many partially uncovered river bars; the number of whites on those bars being about 190 men, and there was probably double that number of native Indians, promiscuously engaged with the whites in the same exciting pursuit.

The diggings became sensibly richer as we ascended the stream as far as "Hill's Bar," four miles below the Falls, which is the richest point workable in the present high state of the river.

The gold on those bars is taken entirely from the surface, there being no excavation on any of them deeper than two feet, as the flow of water from the river prevents their sinking to a greater depth.

Mr. Hill, the party after whom the bar is named, produced for inspection the product of his morning's (6 hours) work with a rocker and three hands besides himself, the result being very nearly six ounces of clean float gold, worth one hundred dollars in money, giving a return of fifty dollars a day for each man employed. That return, the party observed, was the largest day's work he had ever made on Fraser's River, and he further remarked that the same good fortune did not attend him every day.

²⁹⁵ Legal? [Note in the original.]

The other miners whom I questioned about their earnings stated that they were making from two and a half, the lowest, to twenty-five dollars, the highest, usual return to the man a day.

The greatest instance of mining success, which I heard of in course of our journey fell to the lot of a party of three men, who made one hundred and ninety ounces of gold dust in seven working days on "Sailor's Bar," a place about ten miles above the Falls, giving a return of nearly nine ounces a day for each man employed.

Thirty miners arrived from the upper country during our stay at the Falls, with very favorable reports as to its productiveness in gold. They told me that they had prospected the banks of Fraser's River as far as the Great Falls, forty miles beyond the confluence of Thompson's River, and also many of its tributary streams, in all of which they found gold, frequently in pieces ranging from twenty-four grains to half an ounce in weight; and they also observed that the gold was larger in size and coarser the further they ascended the river. Thus, for example, the gold found below the Falls is in thin bright scales, or minute particles, while that found at the Great Falls is in pieces ranging as before said, from twenty-four grains to half an ounce in weight, a circumstance which the miners believe to be indicative of a richer country beyond.

The country about the Great Falls has not been clearly examined, but the miners generally report its appearance to be promising, and from anything we know to the contrary, the whole course of Fraser's River, even to the Rocky Mountains, may be auriferous.

Those miners were prevented from going further into the country for want of food, which compelled their return to the settlements for supplies. They were very successful about the Great Falls, and made from ten to thirty dollars to the man a day.

William C. Johnston, an old California miner, told me that he had prospected Harrison's River, and had traveled from thence to the Great Falls of Fraser's River, and that he had observed in the course of his journey much gold-bearing quartz, and the most promising indications of placer gold.

Another old miner assured me he had found large quantities of gold-bearing quartz in the mountains near Fort Hope, which he thinks will pay better than the California quartz rock, a report which was confirmed by other miners. The miners generally assert that Fraser's River is richer than any "three rivers" in California.

Thompson's River and its tributary streams are known to be auriferous, and I have just heard from Mr. McLean, one of the Hudson's Bay Company's officers, that gold has also been lately discovered on the banks of the great Okanagan Lake.

Mr. Richard Hicks, a respectable miner at Fort Yale, assured me that he had found "flour gold," that is, gold in powder, floating on the waters of Fraser's River, during the freshet, and he is of opinion that by means of quicksilver²⁹⁶, gold will be found in every part of Fraser's River, even to its discharge into the Gulf of Georgia.

Evidence is thus obtained of the existence of gold over a vast extent of country, situated both north and south of Fraser's River, and the conviction is gradually forcing itself upon my mind that not only Fraser's River and its tributary streams,

²⁹⁶ Mercury was used to separate gold from quartz and hematite-rich "black sand".

but also the whole country situated to the eastward of the Gulf of Georgia, as far north as Johnstone's Straits, is one continued bed of gold of incalculable value and extent.

Such being the case, the question arises as to the course of policy in respect to Fraser's River, which Her Majesty's Government may deem it advisable in those circumstances to follow.

My own opinion is that the stream of immigration is setting so powerfully towards Fraser's River, that it is impossible to arrest its course, and that the population thus formed will occupy the land as squatters, if they cannot obtain a title by legal means.

I think it therefore a measure of obvious necessity, that the whole country be immediately thrown open for settlement, and that the land be surveyed and sold at a fixed rate not to exceed twenty shillings an acre. By that means, together with the imposition of a customs duty on imports, a duty on licenses to miners, and other taxes, a large revenue might be collected for the service of Government.

As the Hudson's Bay Company would, in that case, have to relinquish their exclusive rights of trade, compensation might be made to them for those rights, by an annual payment out of the public revenues of the country.

Either that plan or some other better calculated to maintain the rights of the Crown, and the authority of the law, should in my opinion be adopted with as little delay as possible, otherwise the company will be filled with lawless crowds, the public lands unlawfully occupied by squatters of every description, and the authority of Government will ultimately be set at naught.

In anticipation of your instructions to carry some such plan into effect I have communicated with Mr. Pemberton, the Surveyor General of Vancouver's Island, and desired him to make temporary arrangements with any qualified persons he may find in this colony for the purpose of increasing the staff of Surveying Officers, and of engaging actively in an extended survey of the lands of Fraser's River, whenever your instructions to that effect are received from England, and in the meantime, they can be usefully employed in laying out allotments for sale on Vancouver's Island, there being at present a very great and increasing demand for land in this colony.

I beg also to remark that it is my intention to confer on Mr. Pemberton, the provisional appointment of Surveyor General of Fraser's River, as he is a gentleman of great experience, and thoroughly well qualified by previous training in the forests of Vancouver's Island, and great natural talent, for that responsible office.

I propose to form a large and efficient corps of Surveying Officers to be placed under the management of the Surveyor General, and to authorize him, after due application to this Government, to establish branch offices wherever required, which will report all proceedings to the general office at this place, superintended by the Surveyor General, who will be held responsible for the proper management of the department.

In consequence of the unceasing demands upon my time by the crowds of people who are flocking to this place, and the want of assistants, my Secretary Mr. Gollidge being greatly overworked, I have been compelled to prepare this report in

the midst of numberless interruptions, and I beg that its inaccuracies may be overlooked, and that I may receive your instructions by return of post, as the case is urgent and calls for rapid and decisive measures in the outset, for in the course of a few months there may be one hundred thousand people in the country.

I have the honor to be, Your Lordship's most obedient humble servant,
James Douglas, Governor.

Douglas to Lytton²⁹⁷ (April 8, 1859)

Victoria, Vancouver's Island
8th April 1859.

Sir,

I have the honor of transmitting herewith for your information an abstract of the Revenue and Expenditure of the Colony of British Columbia, taken from the accounts of that colony, which have been made up in a clear and intelligible form, to the 23rd day of February 1859.

Those books comprise all our financial transactions up to that period. It will be observed, that the income derived from the various sources therein shown, amounts to the sum of £22,924.1.5; and the expenditure, for the same period, to £25,039.6.4, exceeding the income by the sum of £2,135.4.11.

To meet that deficiency, there is on the other hand the sum of £10,2484.19.9 remaining, partly in cash at Langley, and partly due on the sale of town lots, at the same place; a small sum invested in government buildings, and in aid of the Harrison's River Road, which leaves a balance on that date exceeding £8,000 in favor of the colony.

Some petty balances may remain outstanding at Forts "Hope," "Yale," and "Lytton," which were not received in time to be incorporated with those accounts; but such sums will be paid out of the current revenues of those districts.

At the towns of "Lytton," "Hope," and "Yale," which were surveyed and laid out into building lots, last autumn, no sales have yet been made, but instructions have been conveyed to the Commissioner of Lands and Works, to bring those lands into the market with as little delay as may be convenient.

The construction of the Harrison or Lillooet Road, has been the great source of outlay this season, that work having cost the colony nearly £14,000.

Large as the outlay may appear, it very inadequately represents the value of this important public work, which has removed the difficulty of access, and the great impediment to the development of the mineral regions of British Columbia.

²⁹⁷ From Douglas, James to Lytton, Edward George Earle Bulwer 8 April 1859, CO 60:4, no. 5439, 259. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B59127.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

The outlay for all other objects connected with the colony, including £2,300 applied in defraying the extra pay allowed, for one quarter, to the officers and ship's companies of Her Majesty's Ships "Satellite" and "Plumper" forms the moderate sum of £11,059.

The removal of the intended Sea Port Town, from Langley to Queensborough, has caused a depression in the public revenue, arising from sales of town lands, which ceased entirely at the former place, with the first announcement of the proposed change in the seat of government.

Colonel Moody reports that it will be several weeks before the survey of the site of Queensborough is completed, and that no country land will be surveyed for sale before the first week in May.

Those sources of revenue are therefore for the present altogether unproductive, though the current expenses of the colony are somewhat increased by the addition of civil assistants to expedite the survey of country lands, and to increase the means and efficiency of the Department of Lands and Works, and to render it productive of revenue.

The Colonial Treasurer advocates stamp duties as a source of revenue "in combination with a self-paying Registration of Assurances affecting real property," and I have desired him to prepare a report on the best means of carrying these views into effect. If such duties be confined even to conveyances of real estate, they will be productive of considerable revenue.

The want of an assay office in the colony is felt as a public inconvenience and is no doubt highly detrimental to the commercial interests of the country. There being at present no means here of ascertaining the true commercial value of gold dust, the merchant, to save himself from loss, will only purchase it at a low rate, which the miner will not accept, or the gold dust is retained in the merchant's hands in deposit, until samples of it are sent and tested at San Francisco. Hundreds of miners worn out with the expense and delay so occasioned, fly in disgust with their gold, to San Francisco. An assay office established here, the evil would cease to operate, and the gold would remain in the country.

The establishment of an assay office would otherwise, I believe, prove of signal advantage to the public revenue, inasmuch as it would give facilities for levying an export duty on gold. That is now impossible, and will be, so long as the miner cannot get a fair price for his gold in this country, and in consequence keeps it in his own hands. If collected at all, in those circumstances the duty would have to be wrung from each individual miner, and they, to elude the payment, would cross the frontier and fly with their treasures into the United States.

The assay office would provide a remedy for the evil. Every man might through its aid learn from an official source the true value of any gold in his possession, and either spend or exchange it for coin in the country. This would slow the export of gold into the hands of large dealers who, having no inducement to smuggle equal to the risk, would export through the lawful channel, paying the duty, which they in turn would take care to levy on the miner, by deducting it from the price paid.

An export duty might then be imposed with advantage, and be found easy and cheap of collection.

The other features of the Australian system of taxation on miners, might also be adopted and made applicable to the circumstances of British Columbia, in which case the license fee on miners, so objectionable on account of the expense, and affrays produced in its collection, would cease to be enforced.

I have only further to state in reference to the abstract of British Columbia Accounts, forwarded, that the Treasurer, Captain Gosset, has now the sole and entire arrangement of the Financial Department, over which I have hitherto had to maintain a rigid control.

I have the honor to be, Sir, your most obedient humble servant,
James Douglas.

Douglas to Lytton²⁹⁸ (April 11, 1859)

Victoria, Vancouver's Island
11th April 1859.

Sir,

In continuation of the remarks on the expediency of establishing an assay office in this colony, which I was unable to continue in my despatch No. 127 of the 8th of instant, in consequence of the reported arrival of the mail steamer from San Francisco, which remains here, at each visit, only a few hours.

I have further to remark that we have attempted to induce the owners (not Americans) of private assay offices in San Francisco to establish branches of their Houses at Victoria, but without success. The objections made by them were to this effect:

That Her Majesty's Government would, at no distant date, probably establish a mint at Victoria, and their business would therefore then cease.

That being foreigners they could not expect the same privileges as are granted to English Houses taking up the assaying business.

Their chief reason, however, was this: that they had already the whole assaying business of British Columbia in their hands, as nearly all the gold produce of the colony is now carried to San Francisco, and they had therefore nothing to gain by extending their business to Victoria, or to compensate for the certain outlay of capital which the process would involve.

I do not know what steps can be taken by Her Majesty's Government to deliver the colony from so great an evil as is the present drain of its resources towards San Francisco, and the loss and delay to which miners are exposed in selling gold here,

²⁹⁸ From Douglas, James to Lytton, Edward George Earle Bulwer 11 April 1859, CO 60:4, no. 5447, 280. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B59135.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

but I clearly see the advantage of a direct trade between the Mother Country and British Columbia, and I am of opinion that the establishment of an assay office in Victoria would be an important step in advance.

Having an assay office here, the miner would only have to take his gold there, have it assayed, and receive value for it, or if he preferred it, have it run into bars, at a very trifling expense, and then he could dispose of his bars, which would bear the fineness and weight upon them by Mint Mark, just as readily as he could of coin, or he could convert them into coin; in fact, bars would be currency.

An assay office must, however, be the property either of the government, to give it the stamp of character unsuspected, or it must be owned by a private party possessed of capital, in high credit, good mercantile reputation for probity, and well-known to the mining community. This last quality, above all, is requisite.

As no private person on the Pacific Coast, who could fulfil the chief conditions, which I consider indispensable to success – namely public confidence – is disposed to come here, the only prudent and efficient plan is to establish a Government Assay Office. It should be on a large scale, for there will be abundance of work.²⁹⁹

The expense would be small, involving little more than the erection of a house; a fire brick furnace; a few crucibles which could, no doubt, be made here; a good assayer and a few assistants.

The process is simple to a degree, and the whole expense of the plant of an assay office would not exceed £600. Its operation, judging from the experience of the San Francisco private assayers, who have all become wealthy, would leave a profit. I therefore believe that a well-managed Government Assay Office would, at least, pay its own expenses.

Its advantages to the colony would be incalculable. Keeping the gold circulating in the country; the status it would give the place; the confidence it would inspire abroad; the benefits to the miners, the contentment it would diffuse amongst them, by the certainty and fairness and celerity of its operations, and its security, are amongst the advantages of such an establishment.

A mint would certainly be more efficient, but that is an expensive establishment, though if Her Majesty's Government were to set one up, I think the circumstances of the country would justify the outlay. It would also require time to complete and perfect its details; but the establishment of an assay office involves little delay, and a very moderate expense, therefore I beg to recommend the plan to the favorable consideration of Her Majesty's Government.

I have the honor to be, Sir, your most obedient humble servant,

James Douglas.

²⁹⁹ Which Capt. Gosset might easily do. [Note in the original.]

Douglas to Lytton³⁰⁰ (April 25, 1859)

Victoria, Vancouver's Island
25th April 1859

Sir,

I have the honor of forwarding herewith for your information a copy of my correspondence with the House of Assembly, on various subjects relating to the public business of the Colony of Vancouver's Island, from the 21st day of February last to the 7th day of April instant.

The subjects referred to therein do not require separate and distinct notice. I will, however, take the liberty of drawing your attention to a few points of much importance; the first being the establishment of a mint in this colony, a subject in relation to which, the House feel a deep interest, and in their address to me of the 31st of March last, express an earnest wish that I should recommend it, for the consideration of Her Majesty's Government.

Knowing your own views with respect to the advantages of that measure; its beneficial effects on trade; in strengthening our connection with the Mother Country, and in promoting the material interests of the Colony; having also lately reviewed the question of establishing an assay office in this colony, as a preliminary step to the establishment of a mint, it does not appear necessary that I should revert to the subject more fully in this communication.

With respect to the recommendation of the House of Assembly, that the coinage of the Colonial Mint should be in decimal currency, of the same value as that of the United States, that is a question which I shall take care to reserve for the decision of Her Majesty's Government.

The other point to which I beg to draw your attention, is respecting the reserves of public land made for government purposes, in the several districts of this Colony, which the house of Assembly in their address of the 31st of March, desire may be restricted to reserves for educational purposes, and placed for that object, exclusively at the disposal of the Legislature of Vancouver's Island.

I declined, for the reasons stated in my reply to that address, to act in compliance with their request, as it appeared to me that the claim advanced by the House to the control of the reserves of public land, is unconstitutional, and would be an encroachment on the rights of the Crown.

I have the honor to be, Sir, your most obedient humble servant,

James Douglas [...]

³⁰⁰ From Douglas, James to Lytton, Edward George Earle Bulwer 25 April 1859, CO 305:10, no. 5895, 103. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/V59013.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

VANCOUVER'S ISLAND HOUSE OF ASSEMBLY, 31st MARCH 1859

Mr. Speaker

Has the honor to inform His Excellency the Governor that the following address was agreed to this day:

“That an address be presented to His Excellency the Governor, praying that he will urge upon the Home Government the desirability of establishing a mint in this colony, and also that the money therein coined shall be decimal currency of the same value as that of the United States of America.”

(Proposed by the Hon. Member for Esquimalt.)

(Signed) S. S. Helmcken, Speaker, House of Assembly.

GOVERNMENT HOUSE, VICTORIA, VANCOUVER'S ISLAND, 6 APRIL 1859

To the Speaker and Gentlemen of the House of Assembly:

I have the honor to acknowledge the receipt of a communication from Mr. Speaker dated on the 31st day of March transmitting the following address:

“That an address be presented to His Excellency the Governor, praying that he will urge upon the Home Government the desirability of establishing a mint in this colony, and also that the money therein coined shall be decimal currency of the same value as that of the United States of America.”

I have to assure the House that I will without delay, enter into communication with Her Majesty's Government, strongly recommending the expediency and advantage of establishing a Mint on Vancouver's Island.

Signed,

James Douglas, Governor.

Douglas to Lytton³⁰¹ (May 25, 1859)

Victoria, Vancouver's Island
25th May 1859

Sir,

Having called upon to obtain Gosset, the Treasurer of British Columbia, to furnish me with such information in connection with the establishment of a Mint as he had been able to acquire previous to his departure from England, I received from him the enclosed letter, which in compliance with his request I forward for your general perusal.

The only point to which I would desire to draw your attention is the allusion made by Captain Gosset to the inconvenient experienced from the want of British Coin in this country. This is a serious evil, and if Her Majesty's Government would

³⁰¹ From Douglas, James to Lytton, Edward George Earle Bulwer 25 May 1859, CO 60:4, no. 6955, 387. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B59158.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

entertain the suggestion of sending out a supply of Coin, it would confer a real benefit on the Colony.

I have the honor to be, your most obedient and humble servant,

James Douglas.

[ENCLOSURE]³⁰²

Treasury, Queensborough, British Columbia,

April 25, 1859.

Sir,

Commissioned by the Secretary of State for Her Majesty's Colonies to undertake the task of organizing a mint (of which an assay office forms a part), should the necessity arise for such an establishment in this colony, I made it my care to study (kindly permitted by their officers so to do) the American institutions of the same class, both in New York and San Francisco, at which places I was unavoidably detained some weeks on my journey from England.

And not alone the modes of working these institutions, and the differences between their arrangements and those of the Royal Mint, but I made the effect of their operation upon the condition of the people, likewise, the subject of careful inquiry; for alike in so many respects, as are the circumstances attending the infancy of this colony, to the first conditions of California, that from the errors of our neighbors as well as from their successful measures a wholesome lesson seems derivable and an index obtainable of the advantage or otherwise of establishing certain institutions similar to those existing in the adjacent gold state.

It was with deep interest, therefore, and an anxious desire to arrive at a sound conclusion, that I sought information from various classes of persons in San Francisco, including many who had returned from prosperous and non-prosperous operations on the Fraser River.

Not, however, until by personal inquiry amongst the mining population remaining on the Fraser (prosecuted in the month of January last), and amongst the miners *in transit* to our gold fields since that time, as to the feelings of that important class, nor (in consequence of the discouraging accounts at the beginning of the year) until the yield of gold seemed to warrant me in addressing his Excellency the Governor without danger of error, have I felt myself justified in stating, as I do now, in confident terms, my opinions that those branches of a mint comprised under the heads of a smelting house and assay departments should be established in Queensborough with the least possible delay; not merely as being certain to prove directly beneficial to the public revenue and to the community at large, but for the broader purpose of developing the wealth and advancing the general prosperity of this colony.

In California I became convinced of the following points:-

1st. That the establishment of an assay office has *greatly tended to retain population in the state.*

³⁰² Captain Gosset's report is taken from British Columbia. (1860). *Further Papers Relative to the Affairs of British Columbia, Part III*. London: George Edward Eyre and William Spottiswoode.

2nd. That the public, although not hitherto perfectly satisfied with the arrangement of the San Francisco Government Mint, yet placed more confidence in the smelting and assay departments of that institution than in the smelts or assays made by private practitioners. By those familiar with the confidence justly reposed in the private assay houses of London this assertion might reasonably be doubted, were it not explained that in a new country so few are the established firms, and so numerous the ignorant and questionable characters who embark in in all kinds of professions, trades, and callings, with or without the slightest knowledge of the subject or guarantee for integrity, that general distrust is engendered against the whole.

3rd. That, therefore, nine-tenths of the gold of California is smelted and assayed at the San Francisco Government Mint; one moiety of the remainder seeming to find its way to the Government Assay Office in New York.

4th. That nearly, if not quite, the whole of the British Columbian gold has been smelted and assayed at the San Francisco Government Mint.

5th. That by a trifling charge per weight the smelting and assaying departments are made self-supporting.

6th. That the mining population of British Columbia, unable to obtain proper value for their gold in British Columbia, did, in large numbers, return to San Francisco solely for the purpose of having it assayed there; and that the colony of British Columbia not only lost the fruits of these miners' labor (for once in San Francisco, the miner scarcely ever returned until his earnings were exhausted), but lost the benefit of these men's time and industry during their absence.

To this, with the fact of there having been no port of entry in British Columbia, nor any guarantee for agricultural settlement, may be ascribed the depopulated state of British Columbia when I arrived in the colony, a condition but little mended by the scanty re-immigration which has yet taken place, the evils adverted to being still in existence.

With the belief, however, that Queensborough will be shortly open to commerce, with a hope that arable land will be placed within the powers of desiring purchasers, and that roads to the mines may receive early attention, and with evidence of auriferous wealth, indisputable since the receipt of gold for the last quarter, there seems to exist but one opinion – that the first steps towards the formation of a mint at Queensborough will materially tend to aid every other measure of Government, to strengthen commerce, and to check the nomadic habits of the miner.

By the admirable express arrangements of the transit houses, the gold will follow one known channel – trade compels this – and that channel will be to, as it is already by, the declared capital of British Columbia. At the capital, therefore, as in most countries, there should the mint be established, and not on Vancouver's Island, as proposed by the House of Assembly of Vancouver's Island, and, in all respect I venture to think, inadvertently acquiesced in by his Excellency the Governor of the two colonies.

The very best intentions of so costly an establishment would be frustrated by taking the gold, for coinage, 100 miles across the sea, away to a colony not itself gold-producing, nor likely to be other than of secondary magnitude as compared with British Columbia, to be again returned with the charge of double freight and double insurance to the producers of the metal.

The very eagerness of the Vancouver House of Assembly to grasp at a mint is evidence of this; the House doubtless felt that a mint in Victoria would tend to draw population and trade away from British Columbia, and to raise their town into the position of a capital of British Columbia, to their own advantage, but to the detriment of their sister colony, of which I venture to count myself one humble guardian.

Not only, in my humble opinion, does it appear imprudent for the Government of Vancouver's Island, especially in the present state of its finances, and without any immediate prospect of increased resources, to contemplate the establishment of a mint for the purpose of coining the metal derived from the heart of a neighboring colony, but I should even deem it unadvisable for British Columbia to come to too hasty a resolution on a matter involving, as proved by the cost of the Sydney Mint, 60,000*l.* to 80,000*l.*

For although the want of coin, and especially of British coin, at the present moment, must be a matter of serious disquietude to his Excellency, yet, on the arrival of the bank, expected daily, this grievance will be lessened by the circulation of notes; and, could the Home Government be induced to send out (not as a loan, but to be repaid in bullion), of,—

Sovereigns	£60,000
Half	
Sovereigns	£20,500
Florins	£11,000
Shillings	£5,000
Pence	£2,500
Half Pence	<u>£1,000</u>
Total	<u>£100,000</u>

the grievance would, in my opinion, be removed for a considerable time to come.

That under any circumstances of prosperity two mints should be formed, I presume no one would contend; one has been found ample for the whole of the Australian Colonies, Van Diemen's Land, and the New Zealands. In that colony, therefore, firstly, yielding the precious metal; secondly, possessing even now, depopulated as it may be considered, the larger population, and promising a proportion immensely greater, wherefore greater means, greater revenue, and all those many other conditions which would alone justify Her Majesty's Government in assenting to the introduction of so important a department; and in that colony alone should it, in my humble judgment, be understood, that when necessity arises, there, and not in Vancouver's Island, will a mint be formed.

That it would be premature even in British Columbia to establish an entire mint, I have stated, but that the time has now arrived for introducing a portion of

such an establishment there I have likewise premised, and now recommend immediate action.

I shall therefore propose that I be permitted to communicate with the Commissioner of Lands and Works, in order that suitable smelting and assay buildings may be prepared by the time the subordinate officers for these branches may arrive from England; and further, that these gentlemen, three in number, with two assistants, and all the smelting and assaying implements, should be sent out by way of Panama.

Should further assistants be required, I have no doubt of obtaining suitable men in the colony for instruction in the manipulations whereby in three months after the arrival of the party from England I would guarantee to be in a position to meet the emergency of great pressure or illness amongst my staff.

But for the express purpose of engendering confidence in the department at the outset, I look upon the procural of assistants in the first instance direct from the mother country as of the utmost importance. Assayers might be obtained from California, but for the very reasons adverted to in a former part of this report, such men would not invest the department with that thorough reliability which it is absolutely essential that it should at once command, not only that it may succeed, but for the credit of the Government in so delicate a matter as the adjudicating the quality of the precious metal.

The expense of such an arrangement will probably be, for the first and second year:-

	1st Year.	2nd Year.
1 Assaying officer	£400	£450
1 Smelting officer	£400	£450
2 Assistants	£500	£600
1 Accountant clerk	£300	£350
Implements	£1,000	£100
Transit of party and stores	£1,000	
Buildings	£500	
	£4,100	£1,950

Properly conducted, I should have little doubt of making such a department self-supporting after the first year.

As the Master of the Royal Mint, with whom I was placed in communication by the Lords Commissioners of the Treasury, will doubtless be called upon for report and assistance in this matter, I purpose doing myself the honor of transmitting him a copy of this report, and addressing him on the subject of those many details, which would but encumber this letter, and will be perhaps better arranged, being purely professional, by direct correspondence between us as professional men.

In conclusion, having referred to the expense of the Sydney Mint, without committing myself to any opinion that experience and improvements in the manufacture of machinery since 1851 might not enable a similar department to be

outfitted at a somewhat less cost than 60,000*l.* to 80,000*l.*, yet I should certainly deprecate any attempt to establish, in any of Her Majesty's colonies, a department of so important a class on any other than the most perfect footing. The coinage of Her Majesty's realm should ever stand pre-eminent amongst nations; its sterling qualities, value, and workmanship should never be sacrificed at the shrine of economy or present convenience.

With regard to the adoption of the currency of the United States, I do not perceive the necessity for hastily declaring in favor of a foreign metric; nor, in my own opinion, is there any ground for departing from Her Majesty's initial coin, the British sovereign, possibly substituting for the existing a decimal arrangement proceeding therefrom; of which already there has been issued (I believe as a tentative coin) the much-esteemed florin, the tenth of which might be termed a groat, reviving an old English name of somewhat the same value, with one-tenth again, as a mil or mille; such a decimal arrangement being that which (I believe) would have been recommended by the Commission of Inquiry into the subject, but for the one argument, advanced by dealers who received and disbursed farthings in thousands per diem, viz., that the poor of Great Britain would suffer by the alteration of the farthing, or 1/960 of a pound to the 1/1,000, an argument which would have no weight here, where poverty is unknown, and where the habits of the people and their prosperity induce a positive disregard of fractions under a 5 cent (or about 2½*d.*) piece.

It seems proper, before closing this report, that I should draw his Excellency's attention to your letter of the 8th of this month, requesting my opinion on the address of the House of Assembly of Vancouver's Island, praying that the Governor of Vancouver's Island would "urge upon the Home Government the desirability of establishing a mint" in their colony, to which letter this report, commenced as soon after the termination of last quarter as I was able to procure from the various dealers accurate statistics of the gold yield, and enlarged to meet his Excellency's desire for my opinion, is intended as a reply.

If in stating my views, when in opposition to those entertained by his Excellency, I have been led into any observations that may seem questionable, I must beg to be excused, for the sake of the gravity of the questions proposed, believing that a right conclusion will be better drawn by those who will decide from the consideration of frank and honest statements, than representations enfeebled by a weak desire to avoid points of the greatest moment which may be at variance with the Governor's sentiments.

Having been requested by Sir Edward Lytton to place him in possession of my opinions on the subject of a mint in British Columbia, so soon as I could give a reliable report through the proper channel, I have the honor to request that his Excellency the Governor may be pleased to forward the accompanying copy of this communication to the Colonial Office.

I have, & c.,

(Signed) W. DRISCOLL GOSSET, Treasurer.

The Acting Colonial Secretary, &c. &c. &c.

Newcastle to Douglas³⁰³ (September 5, 1859)

Downing Street, September 5, 1859.

Sir,

Among the many difficulties with which the organization of Government in British Columbia has to contend I cannot but think that the presence and residence in that colony of the several officers who have been appointed by the Crown to conduct its affairs is indispensable.

I have not received any special report from yourself on this subject; but from such information as I collect from other sources (subject to your better knowledge as to correctness), it would appear that this essential duty is very much disregarded.

Being yourself Governor both of Vancouver's Island and British Columbia, you have necessarily a divided duty to perform; but the unavoidable absence which this occasions on your part cannot dispense with the closer attention of other British Columbian functionaries to their duties.

It is stated that the Judge, the Colonial Secretary, his assistant, the Attorney-General, and the Treasurer, are all at present residing in Vancouver's Island.

This state of things must be put an end to at once, and the gentlemen in question must be warned that they must repair with the least practicable delay to the scene of their duties, or, if they decline to do so, must at once resign their situations. I am aware that there may be difficulties in finding residences in a colony just commencing its existence; but these difficulties must be overcome, as they would by this time have been overcome, had not the close neighborhood of the colony of Vancouver's Island afforded so easy a means of absenting themselves for the time from their posts.

I have, &c. (Signed) NEWCASTLE.
Governor Douglas, C.B., &c., &c.

Newcastle to Douglas³⁰⁴ (September 19, 1859)

Downing Street,
19th September 1859.

Sir,

Your despatches noted in the margin³⁰⁵ relating to the establishment of an assay office in British Columbia have been considered by Her Majesty's Government,

³⁰³ From British Columbia. (1860). *Further Papers Relative to the Affairs of British Columbia, Part III*. London: George Edward Eyre and William Spottiswoode.

³⁰⁴ From Pelham-Clinton, Henry Pelham Fiennes to Douglas, James 19 September 1859, LAC RG7:G8C/8, 245. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B597122.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

³⁰⁵ 1127 – 8 April/59, 135 – 11 April/50, 150 – 25 May, 213 – 25 April, Vanc. I.

and a communication will be immediately addressed to the Master of the Mint regarding the arrangements necessary for giving effect to this design.

Her Majesty's Government have not overlooked the objections which suggest themselves to the work of a refinery and assay being undertaken by a government establishment; but in view of the example derived from the experience of California, and having regard to the advantage to the miners in ascertaining and realizing their treasure as well as to the facilities which will be afforded in the collection of a revenue from an export duty on gold, Her Majesty's Government have given this sanction to the measure.

I have the honor to be, Sir, your most obedient humble servant,
(Signed) Newcastle

Newcastle to Douglas³⁰⁶ (September 29, 1859)

Downing Street, September 29, 1859

Sir,

With reference to my Despatch No. 22, of the 19th inst., acquainting you that Her Majesty's Government had sanctioned the establishment of an Assay Office in British Columbia, I transmit to you for your information, the copy of a correspondence between the Treasury and this department, showing the arrangements which it is intended to adopt for carrying this measure into operation.

I have, & c.,
(Signed) NEWCASTLE.

Governor Douglas, C.B., &c., &c.

ENCLOSURE

Treasury Chambers, September 19, 1859.

Sir,

With further reference to your letter of the 11th ultimo, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit herewith [a] copy of a Report from the Master of the Mint on the subject of the establishment of a Government assay office and refinery in British Columbia, and I am to request that you will inform the Duke of Newcastle that the arrangements suggested by the Master of the Mint appear to my Lords to be judicious, and if his Grace should be of the same opinion, my Lords will authorize Mr. Graham to engage the services of the persons recommended by him, on the conditions proposed, and to provide the necessary stores, &c. Their Lordships consider that the best course to follow in regard to the preliminary expenses will be to advance the sum of 2,000*l.*, suggested by the Master of the Mint, out of the grant for British Columbia, on the understanding that the amount will be repaid from the colonial revenue.

I have, &c.
(Signed) GEO. A. HAMILTON.

H. Merivale, Esq., C.B., &c., &c.

³⁰⁶ From British Columbia. (1860). *Further Papers Relative to the Affairs of British Columbia, Part III*. London: George Edward Eyre and William Spottiswoode.

SUB-ENCLOSURE

Royal Mint, September 9, 1859

Sir,

With reference to your letter of the 30th ultimo, transmitting papers relative to the establishment of an assay office and refinery in British Columbia, and informing me that their Lordships were prepared to sanction the necessary proceedings for the establishment of a Government assay and refinery in British Columbia, and requesting me to report to their Lordships on the arrangements which should be adopted for the purpose, I beg to report accordingly as follows:-

From the success which has attended the assay and melting department at Sydney [Australia] established by Government, it may reasonably be expected that such an establishment as that contemplated in British Columbia will be self-supporting from the first, and in a short time highly remunerative, for the income of the Sydney Mint last year was 15,000*l.*, and the whole expenses 12,000*l.*; the large revenue stated being entirely derived from fees on operations of melting and assaying executed for the public, while, as the yield of the gold-fields of British Columbia appears to approach to, if it does not already exceed, that of the province of Victoria, [Australia,] the receipts are likely to be on a large scale. The superior intelligence and energy of the resident Superintendent are a further guarantee of the success of the undertaking. It is very necessary, however, to occupy the ground as soon as possible, and anticipate the erection of private refineries.

Captain Gosset, in a report dated 25th April 1859, which he addressed to the Acting Secretary of the Colony, suggests the following organization for the establishment, with the probable expenses for the first and second years:-

	First Year			Second Year		
	£	s.	d.	£	s.	d.
One assaying officer	400	0	0	450	0	0
One smelting officer	400	0	0	450	0	0
Two assistants	500	0	0	600	0	0
One accountant clerk	300	0	0	350	0	0
Implements	1,000	0	0	100	0	0
Transit of party, stores	1,000	0	0			
Buildings	500	0	0			
	£4,100	0	0	£1,950	0	0

This scheme appears to be the result of careful consideration, and I have no hesitation in recommending it to the favorable attention of your Lordships, slightly modified as follows:

	First Year			Second Year		
	£	s.	d.	£	s.	d.
One assayer	450	0	0	500	0	0
One assistant assayer	300	0	0	350	0	0
One melter (if obtainable)	450	0	0	500	0	0
One operative melter	250	0	0	300		
One accountant clerk	300	0	0	350	0	0
Three months' half-pay ³⁰⁷	218	15	0			
Stores ³⁰⁸	1,000	0	0	100	0	0
Transit of party and stores ³⁰⁹	800	0	0			
Buildings	500	0	0			
	£4,268	15	0	£2,100	0	0

The persons appointed to be assured of their salaries for two years and a half, as proposed by Captain Gosset, the operative melter to be further allowed 50*l.* for return passage-money if he chooses to return home after serving the time specified.

The great difficulty in carrying out the present scheme is the lowness of the salaries offered for professional services. At the Sydney mint the assayer is allowed 580*l.* the first year, and 630*l.* the second, and yet, with this larger salary, the greatest difficulty was experienced in finding a qualified person on the occurrence lately of a vacancy in the office. I am happy, however, to be able to inform you that no difficulty exists at present in filling up the offices of assayer and assistant assayer at the salaries which I have specified. It will also be possible, I believe, to obtain the services of a qualified operative melter; but great difficulty is experienced in finding a suitable person practically qualified to act as the head of this branch (as melter) for the salary offered. Such an officer is desirable to give weight and responsibility to the establishment, but not I believe indispensable. In the absence of a melter from the staff, one or both of the assayers may be instructed before embarking, so as to be able to conduct the melting department with the assistance of the operative melter.

The name of an accountant clerk has been suggested by Captain Gosset, Mr. Hill, at present a clerk in the London and Westminster Bank, with whom I can communicate, and report upon his qualifications, if it is the pleasure of their Lordships.

As the assayers and melters will be fully occupied for at least two months in collecting and preparing (under proper supervision) the numerous implements, apparatus, and material required in their respective departments, the first step to be taken will be to nominate persons to these offices. In the pressing circumstances of

³⁰⁷ To all the staff, calculated from day of appointment

³⁰⁸ Sufficient for one year's consumption.

³⁰⁹ Including 100*l.* outfit and passage-money to each of four officers, and 70*l.* to the operative melter.

the case, I may perhaps be allowed to submit at once the names of such officers as I have already selected, after fully inquiry, for recommendation to their Lordships.

As assayer, Mr. Francis George Claudet. Mr. F. G. Claudet is 23 years of age. He is [the] younger brother of Mr. Frederick Claudet, of Cannon Street, City, a professional assayer of eminence, and has been assistant to his brother for several years.

As assistant assayer, Mr. Frederick Henry Bousfield, 20 years of age, who has also been a junior assistant in Mr. Claudet's assay laboratory for the last three years. Both the gentlemen named have received a good scientific education, and are qualified to analyze ores, and act generally as analytical chemists, and if sent, will prove, I have no doubt, a valuable acquisition to the Colony.

Of the early completion of the staff, with or without a principal melter, I entertain no doubt.

It is desirable that funds should be immediately available to the extent of about 2,000*l.* for the expenditure to be incurred for stores, outfit, and salary in this country. On the institution of the Sydney Mint, the Master of the Mint was authorized to make the necessary advances for such purposes from the mint cash account, to be afterwards refunded by the Colonial Government. But the course to be pursued on the present occasion I must leave to the judgment of their Lordships.

It does not appear to me that any necessity exists for the exercise of a continued supervision by the Home Government of the proposed assay office and refinery in British Columbia beyond the assistance, in its first establishment, proposed to be granted in this country.

The future management of the establishment may be safely left with the Colonial authorities.

I have, &c.

(Signed) THOS. GRAHAM.

Douglas to Newcastle³¹⁰ (October 9, 1860)

Victoria, Vancouver Island, October 9, 1860. [...]

My Lord Duke,

I have the honor to submit for your Grace's nomination the following particulars relative to a recent journey in British Columbia, from whence I have just returned.

I left Victoria by the regular steam packet on the evening of 28th of August, and early next day landed at New Westminster.

I heard with much concern on my arrival there, that the capital was suffering from one of those fluctuations in commerce common to all countries, and that there was much depression in business circles, and a marked decrease of trade, a fact which was indeed corroborated by the Customs returns, it appearing from them that the imports for the four previous weeks had fallen off about 25 per cent. as compared with

³¹⁰ From British Columbia. (1862). *Further Papers Relative to the Affairs of British Columbia, Part IV.* London: George Edward Eyre and William Spottiswoode.

the increasing ratio of the preceding month; a casualty generally attributed by business men to the growing overland trade with the possessions of the United States in Oregon and Washington Territory, which now supply, by the southern frontiers of the Colony, a large proportion of the bulky articles, such as provisions and bread stuffs, consumed in the eastern districts of British Columbia; and those imports, it was supposed, had this year been for the most part fraudulently introduced, to the great loss and detriment of the home merchant and the fair trader.

It is, however, not easy to conceive how so extensive a contraband trade as this would imply, could be carried on without the knowledge of the vigilant officer stationed on the frontier for the protection of the revenue, whose official reports give no room for such impressions. I am therefore led to believe that the present depression is traceable to another cause, and I have no doubt a revival will take place, and trade resume its accustomed tone as soon as the stock of goods in the Colony have been reduced.

The officers of the Colony residing permanently at New Westminster, and employed in the management of the several departments of the public administration, are as follows:-

Military – Colonel R. C. Moody, R.E., commanding.

Lands and Works – Colonel R. C. Moody, R.E., Chief Commissioner.

Judiciary – Matthew B. Begbie, Judge.

Police – Chartres Brew, Chief Inspector.

Treasury – Captain W. D. Gosset, R.E., Treasurer.

Treasury Assay Office – F. G. Claudet, Assayer.

Treasury Assay Office – C. A. Bacon, Melter.

Customs – Wymond Hamley, Collector.

Post Office – W. R. Spalding, Postmaster.

The Treasury was lately transferred from Victoria to New Westminster, where all the financial business of the Colony is now transacted.

The Assay Office has been in operation since the beginning of the month of August, and the last accounts of the 28th of that month give a return of 1,600 ounces of gold dust which had been smelted and run into bars of various weights.

Those and the other departments are in a state of efficient organization.

The public offices are plain substantial buildings, devoid of ornament, and constructed on a scale adapted to our limited means; they are nevertheless roomy and commodious, and on the whole not unsuitable to the present business of the Colony.

There has been much activity in building since my report transmitted to your Grace in the month of May last, but town property nevertheless sustains its former price, and the inhabitants of New Westminster appear to have unlimited confidence in the ultimate progress of the place.

The run from New Westminster to Douglas was effected by one of the river steamers in 16 hours, including brief stoppages at Langley and Carnarvon, and the whole distance from Victoria to Douglas in 24 running hours, being little over half the time occupied by the same journey last year. The charges on the transport of goods

have also proportionately decreased, freights being now generally taken at 3*l.* 8*s.* a ton, or 25 per cent. less than the former rates.

While at Douglas I despatched an exploring party under the command of Dr. Forbes, of Her Majesty's ship "Topaz," for whose assistance I am indebted to the kindness of Rear Admiral Sir Robert L. Baynes, to examine the country bordering on Harrison Lake and River, where many fragments of silver and copper ore have been found. A specimen of the former, which was carefully assayed, gave a return of 50*l.* worth of silver to the ton. The copper ore appears also to contain a large proportion of that metal.

I am in hopes that Dr. Forbes's scientific researches will be productive of much good to the Colony, as the district subjected to his examination has all the characteristics of a mineral country, is almost destitute of arable land, and, except timber, possesses no ascertained natural products capable of contributing to the support or giving remunerative employment for labor. It is, therefore, especially desirable that no effort should be wanting for the early development of the minerals supposed to be contained in the soil, otherwise the district may, for years to come, remain a wilderness without inhabitants.

Douglas is still an inconsiderable town, much improved, however, since my former visit in June last. A Stipendiary Magistrate is stationed here, Mr. J. B. Gaggin, who also performs the duties of Gold Commissioner within the district, which extends from Carnarvon to Port Anderson. A brisk trade is carried on from Douglas with the mining districts of the interior, and the constant arrival and departure of trains of pack-mules give to the place a lively and bustling appearance.

We pursued our journey by the newly formed wagon road, then nearly finished, as far as the Lesser Lillooet Lake, 28 miles from Douglas, a work of magnitude and of the utmost public utility, which, I think it only right to inform your Grace, has been laid out and executed by Captain Grant and a detachment of Royal Engineers under his command with a degree of care and professional ability reflecting the highest credit on that active and indefatigable officer.

A number of wagons, imported by the enterprising merchants of Douglas, have commenced running on the new road, and the cost of transport has already been greatly reduced. I look forward with confidence to further important reductions in the rates of transport, as the most experienced carriers are of opinion that goods of all kinds may and will be carried the whole distance (100 miles) from Douglas to Cayoosh for 20*l.* a ton, which would be a reduction of 250 per cent. on former rates. The effect of so large a saving on the carriage of goods will be of vast importance to the country, and no doubt give a prodigious impulse to trade and the settlement of the public lands.

A rowboat is still the only means of conveyance over the Lesser Lillooet Lake, which is nearly five miles long, and one mile and a half distant from Lillooet Lake, with which it is, however, connected by a narrow river, full of shoals and dangerous rapids, perilous in their present state for any larger craft than Indian canoes. This circumstance renders a transshipment and a resort to land carriage for a mile and a half on an excellent road necessary before reaching Lillooet Lake. Various plans have

been proposed for rendering the river between those lakes navigable, but, important as would be the improvement, the cost is altogether beyond our present means, and the work must be left for a future time.

A very fine piece of gold-bearing quartz, which I received at this point of my journey, determined to me to instruct the District Gold Commissioner to cause the mountains west of Harrison River, where the quartz was found, to be carefully examined, as there is a possibility of discovering and turning to advantage the lead from whence it came.

There are many extensive quartz veins in the valley of the Harrison, but none of those which have been inspected, contain visible traces of gold. The bed of the river, however, yields gold almost everywhere in small quantities; and at one place, 12 miles from Douglas, a party of French miners have brought in sluices, and are now working to great advantage, making as much as 10 dollars a day to the man. The only drawback is the shortness of the working season, which they represent as limited on the one hand by the flooded state of the river in summer, and on the other by the severe cold in winter, which is found to have the effect of preventing the amalgamation³¹¹ of the fine particles of gold, and much is therefore lost in the process of washing. Their statements are, no doubt, in part true, but I think it may, notwithstanding, be safely concluded that all these difficulties will be overcome, and this part of the country be profitably worked, whenever men of greater skill and application turn their attention to the subject.

Some of the tributaries of the Harrison also yield a fair return of gold, varying from five to 10 dollars a day; but that will not satisfy men whose excited imaginations indulge in extravagant visions of wealth and fortune to be realized in remoter diggings. These all with one accord rush off to the Quesnelle and Cariboo countries, and neglect the less productive districts.

A number of fine specimens of coarse gold have lately been brought by Indians from the Lillooet River beyond the lake, and I shall not fail to have its course carefully searched, at the public expense, should no private adventurers in the meantime anticipate that intention.

The paddlewheel 25 horse-power steamer "Martzell," a small boat of 50 tons burden, built by Mr. Decker, an enterprising American, conveyed my party in four hours to Port Pemberton, at the further extremity of Lillooet Lake. There is nothing to prevent vessels of a much larger class than the "Martzell" from running on this lake, as it is deep enough to float a 500-ton ship, and there are no rocks or concealed dangers whatever. It is, in fact, a highland lake, surrounded by lofty mountains rising abruptly from the water's edge. Port Pemberton is five miles distant from the Meadows, a fine tract of several thousand acres of rich alluvial land, situated at the mouth of the Lillooet River. A settlement is already formed at that attractive spot, and the soil is most productive, the settlers having raised this year excellent crops of oats, Indian corn, potatoes, and hay; the barley, however, was indifferent, in consequence it was supposed of imperfect tillage, but I never saw better garden-stuffs of all kinds, especially tomatoes and cucumbers, which were exceedingly fine. Mr.

³¹¹ Probably through the use of quicksilver.

Jones, the oldest and principal settler, raised last year, as he assured me, a very fine crop of potatoes, for which he found a ready sale at 5*d.* a pound, and thereby realized the large return of upwards of 240*L.* an acre. Having this year a much larger crop, he expects to do better, though the price of vegetables is now comparatively moderate, being 50 per cent. lower than last year.

Near the settlement is an Indian reserve of several hundred acres of land which is retained for the benefit of and occupied by about 30 native families, who live on the most amicable terms with their white neighbors, and look healthy, clean, and altogether in very comfortable circumstances. They live by fishing, and on the produce of the chase, and of the land, which they cultivate, to some extent, with care and skill. They appear happy and contented and have no complaint whatever to make.

The Horse-way, formed in the year 1858, is still the only road from Port Pemberton to Anderson Lake, the distance being about 34 miles. It is a fair and passable road of the kind, but must be improved into a cart-road without delay. The line of road runs between parallel ranges of mountains, rising on both sides with the unbroken regularity of a wall, into dark, rugged, and gloomy masses, thousands of feet above the mountain stream that traverses the valley beneath, which is in places a mere defile, and nowhere exceeds two miles in breadth.

The summit, or half-way house, is prettily situated on the mountainside overlooking a rich expanse of arable land covered with a profusion of potatoes, beets, carrots, tomatoes, cucumbers, and other vegetables; a certain proof of the great capabilities of the soil and climate. A large stock of hay was also carefully put up by the provident owner for winter use.

The country from that point presents a more cheerful aspect. The river winds along the mountainside towards Lake Anderson, affording lovely views of the exceedingly beautiful valley beneath, with its gay covering of bright green woods.

We arrived at Port Anderson just in time to participate in the trial trip of the "Lady of the Lake" steamer, and a most successful one it proved to be: the machinery working well, and no casualty whatever occurring to cause delay. We had to boat over Lake Seaton, as the steamer usually plying there was under repair. A walk of five miles from Port Seaton brought us to the banks of Fraser River, and to the mining town of Cayoosh.

The country between Douglas and Cayoosh contains a smaller proportion of agricultural land than any other district in British Columbia. The whole district may be truly described as a succession of valleys and mountains covered with woods almost to their rocky summits, and abounding in rivers and streams of every size. Forests of magnificent trees and great waterpower constitute its natural advantages; its metalliferous resources, though probably vast, having yet to be explored.

Houses and fields begin, here and there, to break the cheerless solitude of the valleys; and in no instance that has come under my notice, has the husbandman been disappointed of his reward. Its genial climate may be inferred from the fact that tomatoes ripen in the open air, and had come to full maturity at the end of August; when melons raised in the same manner, were nearly fit for use.

The settlers, though few in number, were full of hope and confidence; pleased with the country, and satisfied from experience that the climate is one of the healthiest in the world. The winters are moderate, the minimum temperature being zero, Fahrenheit; but the cold is seldom so severe. The lakes have never been known to freeze, nor the snow to lie so deep as to interrupt the ordinary traffic of the road.

The district is, in short, not wanting in any of those conditions which contribute to the comfort and happiness of man; and should the explorations now in progress add the precious metals to its known elements of wealth, there will be no want of inducements to attract and retain an industrious population.

As the road advances from Port Seaton towards Fraser River, a marked change is observed in the character of the country; the mountains are left behind, the massive forests gradually disappear and are succeeded by green hills and open plains, dotted with fine old trees of the species "Pinus Ponderosa." The change is grateful, the contrast bringing into bolder relief the charming scenery of Cayoosh, which is situated about half a mile from Fraser River.

This being the center of a flourishing trade, where all goods brought from Douglas are necessarily deposited in their transit to the interior, and the chief town of a valuable mining district, a Stipendiary Magistrate, Mr. Thomas Elwyn, who also acts as Gold Commissioner, is stationed here. Successful attempts at cultivation have been made on a small scale near the town, and streams of water from the neighboring hills have been skilfully diverted from their natural course and applied to the important purposes of mining, and of irrigating the soil, which thereby acquires a great degree of fertility and productiveness otherwise unattainable in a climate seldom visited by summer showers. Cayoosh is thus a place of much real and prospective importance.

I found nothing defective in the state of the public administration. The people are satisfied with the laws. The district appears to be kept with order and regularity, and returns of the local revenue have been duly made at proper intervals to the Colonial Treasurer. The regular establishment consists of a magistrate and one constable, who attend to all duties connected with the public service; the former being, however, fully authorized to employ casual aid whenever emergencies arise.

An address which I received from the principal inhabitants of Cayoosh makes no allusion to any local grievance affecting the interests of the town or district, nor suggests any change in the mining or general laws of the country. The object of the address, of which a copy is transmitted, was to urge the early sale of town lots at Cayoosh, protection for the Chinese miners, and the removal of stake nets and all obstructions having the effect of preventing the ascent of salmon from the sea to the inland rivers.

I gave immediate attention to those matters, and addressed a communication to the Commissioner of Lands and Works, expressing regret that early measures had not been taken to meet public demand for town land, as delay in such cases discourages settlement, checks improvement, and is ruinous to the country.

I encouraged the inhabitants to build, and improve their lots, with the assurance that the value of such improvements would be added to the upset price,

and reserved for the benefit of the holder when the lots were sold. They will, in that way, be fully protected from loss.

The assizes were opened by the Judge of British Columbia during my stay at Cayoosh, for the trial of two Indians charged with having murdered two Chinese miners. The facts were established on the admission of the accused themselves; but, it appearing from the evidence that the deceased were the aggressors, and had been slain without malice prepense, in a casual affray, arising out of an indecent assault committed on the wife of one of the Indians, the jury returned a verdict of "manslaughter" against one of the prisoners, and found the other "not guilty."

I had an opportunity of communicating personally with native Indian tribes, who assembled in great numbers at Cayoosh during my stay. I made them clearly understand Her Majesty's Government felt deeply interested in their welfare, and had sent instructions that they should be treated in all respects as Her Majesty's other subjects; and that the local magistrates would attend to their complaints, and guard them from wrong, provided they abandoned their own barbarous modes of retaliation, and appealed in all cases to the laws for relief and protection. I also forcibly impressed upon their minds that the same laws would not fail to punish offences committed by them against the persons or property of others.

I also explained to them that the magistrates had instructions to stake out, and reserve for their use and benefit, all their occupied village sites and cultivated fields and as much land in the vicinity of each as they could till, or was required for their support; and that they might freely exercise and enjoy the rights of fishing the lakes and rivers, and of hunting over all unoccupied Crown lands in the colony; and that on their becoming registered free miners they might dig and search for gold, and hold mining claims on the same terms precisely as other miners: in short, I strove to make them conscious that they were recognized members of the commonwealth, and that by good conduct they would acquire a certain status, and become respectable members of society. They were delighted with the idea, and expressed their gratitude in the warmest terms, assuring me of their boundless devotion and attachment to Her Majesty's person and crown, and their readiness to take up arms at any moment in defense of Her Majesty's dominion and rights.

Three exploratory parties were dispatched, during my stay, from Cayoosh: the first, under the charge of Sapper Duffie, had orders to examine a route by the Cayoosh River from Port Seaton to Lillooet Lake, reported by the natives to be more direct, and in many other respects more convenient than the present route by Anderson Lake; the second, under Sapper Breckenridge, who is directed to examine the character and capabilities of the country between Cayoosh and Bridge River; and the third, composed of Mr. Martin, an intelligent English miner, and two natives, was dispatched to the mountains east of Port Anderson to inspect certain quartz veins, said to be auriferous.

Lytton was the next stage in my progress. There is a good horse-way from Cayoosh, but traveling by the river being more expeditious, I chose that alternative, and made the run of 70 miles in five and a half hours. The stream is swift, and a

number of dangerous rapids render it in that part impracticable in high water and unsafe at all seasons.

The mining bars were, with few exceptions, deserted, or occupied by Chinese and Indians, who appear to form the great body of miners on this part of the river.

Mr. H. M. Ball is Stipendiary Magistrate and Gold Commissioner for the Lytton district; and, with the exception of one regular constable, there is no other person [in] the establishment; whenever circumstances render a larger force indispensable, it is made up by means of casual assistants and special constables called out for the occasion.

I granted a sum of 100*l.*, at the petition of the inhabitants, in aid of a horse-way to facilitate the transport of goods to Alexandria and Quesnelle River. Other small sums were also granted for bridges, and to improve the communications with Quayome. A party was also dispatched to examine the country between Van Winkle Bar on Fraser River and Lillooet Lake, with the view of opening a horse-way between those places.

Proposals were lately made by a private company to throw a bridge, at their own expense, over the Thompson at Lytton, to be repaid by a system of tolls; and the negotiation will probably be concluded in a short time, as I am desirous of promoting so useful a scheme.

The gardens about this town are highly productive, and furnish a profusion and variety of vegetables; but, considering there is no want of good soil and clear land, I was surprised to find that not a single farm had been opened in the district. The want of roads and the enormous cost of transport may in some measure account for that circumstance, but it also strongly marks the character of a population devoted to other pursuits, and who probably look to other countries for a permanent home.

Complaints were made here, as at Cayoosh, of the non-sale of town lands; and I again addressed the Commissioner of Lands and Works on the subject, directing an early sale on the spot, through the agency of the district magistrate.

The Indians mustered in great force during my stay at Lytton. My communications with them were to the same effect as to the native tribes who assembled at Cayoosh, and their gratitude, loyalty, and devotion were expressed in terms equally warm and earnest.

The further report of my journey to Similkameen and Rock Creek I will take the liberty of communicating to your Grace hereafter, as this despatch has been drawn out to a greater length than I had proposed.

I have, &c.,

(Signed) JAMES DOUGLAS.

His Grace the Duke of Newcastle, &c. &c. &c.

ADDRESS OF THE GRAND JURY AT CAYOOSH TO GOVERNOR DOUGLAS

The Grand Jury beg to welcome your Excellency to Cayoosh, and to offer you their congratulations on the daily increasing prosperity of the Colony of British Columbia, and on the steady advance of trade, mining operations, and settlement in Cayoosh.

The Grand Jury desire to call your Excellency's attention more particularly to the great number of Chinamen now residing in and flocking to this Colony; that from our experience of them we find that they are a steady source of profit to the trader and materially increase the revenue of the Colony, and in addition greatly benefit the country by the extreme development of its mineral resources; they are also a well-behaved and easily-governed class of population, and the Grand Jury desire that your Excellency will afford them every due protection to prevent their being driven away, either by attacks from Indians or otherwise.

The Grand Jury, representing the general feeling of the inhabitants of this town, request that the town and suburban lots be speedily offered for sale by public auction, as no security is felt in improving property until it is bona fide purchased.

The Indian population of the Upper Fraser have been making great complaints of the scarcity of salmon, which constitutes their winter food. They represent this scarcity to be owing to stake-nets being fixed at Langley, which bar the ascent of the fish, and the Grand Jury therefore trust that your Excellency will take measures to stop these proceedings, if really found to exist.

The Grand Jury would, in conclusion, draw your Excellency's attention to the inefficient state of the law as relates to the collection of small debts, and request that measures may be instituted to prevent, by a summary process, parties who have contracted debts from leaving the Colony with their property.

(Signed) ALLAN McDONALD, Foreman.

Douglas to Newcastle³¹² (October 24, 1861)

Victoria, Vancouver's Island, October 24, 1861.

My Lord Duke,

In my despatch of the 16th of September last, marked "Separate," it was mentioned that a report had reached this place of deposits of gold having been found on the banks and flats of the Stikeen River, north latitude 57o, to the eastward of the Russian possessions, and within the limits of Her Majesty's territories on this coast; I therefore deem it proper on this occasion to inform your Grace, that we have had no confirmation of those reports, nor any arrivals from that quarter.

I have also to communicate to your Grace that the accounts from Cariboo are more than ever satisfactory; and the numbers of returning miners with their rapidly acquired stores of gold, and the extraordinary fact, unusual, I believe, in gold countries, that they have all been eminently successful, offer the strongest confirmation of the almost fabulous wealth of that gold-field. I have not, indeed, up to the present time, met with a single unfortunate miner from that quarter. Of those whom I had occasion to interrogate during my recent visit to British Columbia, I ascertained that none who held mining claims had less than 2,000, and that others had cleared as much as 10,000 dollars during their summer's sojourn at the mines. It may, therefore, be fairly assumed, that their individual earnings range at some point

³¹² From British Columbia. (1862). *Further Papers Relative to the Affairs of British Columbia, Part IV*. London: George Edward Eyre and William Spottiswoode.

between those figures. I should, however, apprise your Grace, that the large strikes of the season, such as the Jourdan and Abbott claim on Lowhee Creek, and Ned Campbell's claim on Lightning Creek, the latter said to have produced 900 ounces of gold in one day, are not included in this category, as I have had no opportunity of seeing the owners of these claims, who are still in the upper country; but I will inquire into and report upon these special cases hereafter.

The following extracts from my traveling note book may not be considered irrelevant at this time, when everything connected with the gold-fields, or tending to illustrate the true character of the colony, possess an absorbing interest.

"Laurent Bijou, a native of France, left Cariboo on the 1st day of August. He resided about one month at the mines, and has acquired 4,500 dollar worth of gold dust; [he] says, he has not been so fortunate as many others, who are making as much as 1,000 dollars a day. He has mined in California, but never saw a gold-field so rich as Cariboo."

"Joseph Patterson and brother, natives of Maine, United States of America, have been mining on Keithley's Creek, and left it about the 10th of September. They have cleared the sum of 6,000 dollars between them, or 3,000 dollars each, in gold dust, which they carry about with them on their persons. They report that as a general thing the miners are making from two to three ounces a day. They are well acquainted with Jourdan and Abbott's claim, and have often seen them weighing out, at the close of their day's work; the yield on one occasion was within a few grains of 195 ounces, the number of working hands being at the time four in all. That was their largest day's return; but 80, 90, and 100 ounces a day were ordinary returns."

"Richard Willoughby, a native of England, discovered a mining claim on Lowhee Creek, and began to work it on the 27th of July last; he continued mining with from four to seven hired men till the 8th of September, when he sold the claim to another person, and returned safely to Yale, where he now resides, with the sum of 12,000 dollars in gold dust. His largest day's return was 84 ounces, and the entire amount of gold taken, during his tenure, from the claim, amounted to 3,037 ounces, valued at 48,600 dollars, and his own share to the sum of 12,000 dollars. His last week's work netted 2,032 dollars, and for two weeks previously he cleared 1,000 dollars a week for each working hand on the claim; and what is extraordinary, is the fact that all this wealth was found immediately at or within four feet of the surface, the extreme of Mr. Willoughby's sinkings. At that depth he encountered the bedrock, composed of soft blue slate yielding readily to the pick. He also mentions the discovery of a highly auriferous quart reef; and he gave me a specimen of galena, containing, as per assay, 67 per cent. of lead, and 37 ounces of silver to the ton. He also mentioned several rich veins of silver ore, which he saw at Cariboo; but the inferior metals attract scarcely any attention in countries where gold is easily acquired."

"Mr. Hodge, an American, settled near Yale, held a mining claim on Lowhee Creek for about six weeks, and lately returned to Yale with a sum exceeding 2,100 dollars. His reports corroborate and confirm in all respects the statements of Richard Willoughby."

“Thomas Brown, an American citizen, claims the honor of having discovered and taken up the first mining claim on Williams’ Creek, just one claim below the Jourdan and Abbott claim. Mr. Brown has been fortunate, and has a heavy pouch of gold, but I did not ascertain its money value. He says, that ‘Ned Campbell,’ a friend of his, with a company of ten other miners, selected and recorded a claim on a newly discovered stream, called Lightning Creek, a tributary of Swift River, which yielded about two ounces of gold to the panful of earth; and that a report had reached Quesnelle previous to his departure, that the company, almost as soon as they began to work, had realized 1,100 ounces in one day; and he places the greatest confidence in that report. Mr. Brown’s statement on all other points respecting Cariboo corroborates the statements of Mr. Willoughby.”

I am permitted to use the following letter from Major Downie, an old and successful Californian miner, several of whose reports on mining subjects I have had the honor of forwarding to your Grace; it is addressed to — Macdonald, Esquire, banker and assayer, Victoria, and is dated Antler Creek, 25th September 1861:-

“I have just been talking to H. M. Steele; he says, he will do all he can for you with his boys; they are taking it out by the mule-load, so you may depend upon getting lots of dust when the boys come down. Your friend Mr. Norris is well, and I am writing this in his house. I am prospecting round to get claims for next season for Alex. And Jim Hood. California is nowhere in comparison to Williams Creek. Keep good courage, and order a mint for next year.”

I will now quote a few passages from a private communication of the judge, Mr. Begbie, dated Forks of the Quesnelle, 25th September 1861, to the Colonial Secretary. In allusion to the amount of gold dust in the hands of the miners at Cariboo, and the quiet, orderly state of the population, he observes:-

“I have no doubt that there is little short of a ton lying at the different Creeks. I hear that Abbott’s and Steele’s claims are working better than ever — 30 to 40 pounds a day (they reckon rich claims as often by pounds as ounces now; it must be a poor claim that is measured by dollars.”

“On many claims the gold is a perfect nuisance, as they have to carry it from their cabins to their claims every morning, and watch it while they work, and carry it back again (sometimes as much as two men can lift) to their cabins at night, and watch it while they sleep. There is no mistake about the gold. Steele is here; he says, they took out 370 ounces one day.

“I was very glad to see the men so quiet and orderly; old Downie looked really almost aghast. He said, ‘they told me it was like California in ’49; why, you would have seen all these fellows roaring drunk, and pistols and bare knives in every hand. I never saw a mining town anything like this.’ There were some hundreds in Antler, all sober and quiet. It was Sunday afternoon, only a few of the claims were worked that day. It was as quiet as Victoria.”

I will lastly submit for your Grace’s information the monthly report of Mr. Ball, assistant gold commissioner for the Lytton district, to the Colonial Secretary, dated 1st October 1861, which also bears upon the subject of gold mining, and is otherwise illustrative of the industrial condition of the country:-

“I have the honor to forward for the information of his Excellency the Governor a collectorate [sic.] account of the revenue of the Lytton district for the month of September.

“The approach of the fall and the little mining going on at present has caused a stagnation of business. There are many, however, who are only awaiting the commencement of the proposed wagon roads to locate pre-emption claims, and to make permanent improvements on those already located, with a view of making British Columbia their future home. The rich discoveries made in the Cariboo district, and the proposed line of roads, have established a confidence in the future prospects of the property holders of the Lower Fraser; and all are well pleased with the prospect of the forthcoming season.

“It may be interesting to his Excellency to hear of the fabulous amount of gold which was taken out of a claim on Lightning Creek, belonging to a man named ‘Ned Campbell’: 1st day, 900 ounces; 2nd day, 500 ounces; 3rd day, 300 ounces, and other days proportionally rich.”

The Gold Commissioner for the Hope district states in his last monthly report, that there was a great deal of activity in the southern mining districts about Kamloops, and that the miners there are doing remarkably well. He also mentions the great want of mining supplies, especially flour, of which article not a single pound could, at the time, be purchased; a circumstance which he much regrets on account of its baneful effects on the country.

The reports of the other Gold Commissioners contain nothing of unusual interest.

The information which I have thus laid before your Grace leaves no room for doubt as to the vast auriferous wealth, and extraordinary productive capabilities of British Columbia; and with scarcely less probability it may be assumed as a natural consequence resulting from the marvelous discoveries at Cariboo, that there will be a rush thither and an enormous increase of population in spring.

To provide for the wants of that population becomes one of the paramount duties of Government. I, therefore, propose to push on rapidly with the formation of roads during the coming winter, in order to have the great thoroughfares leading to the remotest mines, now upwards of 500 miles from the seacoast, so improved as to render travel easy, and to reduce the cost of transport, thereby securing the whole trade of the colony for Fraser’s River, and defeating all attempts at competition from Oregon.

The only insuperable difficulty which I experience is the want of funds:-

The revenues of the colony will doubtless, in the course of the year, furnish the means, but cannot supply the funds that are immediately wanted to carry on these works.

I propose, as soon as the roads are finished, and the cost of transport reduced, to impose an additional road tax as a further means of revenue, a generally popular [sic.]³¹³ measure and strongly recommended in the several petitions forwarded with

³¹³ These road taxes, sometimes called “mule taxes,” were notoriously unpopular, and frequently complained of in the press. From a typical published letter: “The news of the \$5 mule tax has been

my despatch "Separate" of the 8th October instant. I, indeed, acknowledge with gratitude the warm support which I have lately received from the people at large in carrying out measures of development; a significant fact, showing that their feelings and interests are becoming every day more identified with the progress of the colony.

I have in these circumstances come to the resolution of meeting the contingency, and raising the necessary funds, by effecting a loan of 15,000*l.* or 20,000*l.* in this country, which will probably be a sufficient sum to meet the demands upon the Treasury on account of these works, until I receive the loan which your Grace gave me hopes of effecting for the colony in England.

In taking this decided step, I feel that I am assuming an unusual degree of responsibility; but I trust the urgency of the case will justify the means, and plead my apology with Her Majesty's Government, especially as it is so clearly for the honor and advantage of Her Majesty's service; and the neglect of the measures, which by a stern necessity are thus forced upon me, might prove in the highest degree disastrous to the best interests of the colony.

Accustomed to exact obedience within my own official sphere, I know the importance of the rule; but this is one of those exceptional cases which can hardly serve as a precedent – and as I have always paid implicit attention to instructions, and in no case involved Her Majesty's Government in any dilemma, I trust your Grace will continue to place that degree of confidence in my prudence and discretion which heretofore it has always been my good fortune to experience.

I beg to enclose a rough sketch of the Cariboo country, showing its relative position with reference to Arrowsmith's map of North America.

I have, &c.

(Signed) JAMES DOUGLAS.

His Grace the Duke of Newcastle, K.G., &c., &c., &c.

Douglas to Newcastle³¹⁴ (November 14, 1861)

Victoria, Vancouver Island, November 14, 1861.

My Lord Duke,

Much inconvenience and loss have, ever since the formation of these colonies, been occasioned by the want of a circulating medium of fixed and recognized value, equal to the business demands of the country. The scarcity of coin has been so great, and gold dust not being received for duties, that importers of goods have found it difficult at all times to make their Custom House payments, and, as is well known, are frequently compelled to borrow money for that purpose at exorbitant rates of interest, varying from two per cent. per month and upwards. Almost all the business

received with undisguised dissatisfaction, and I tremble for the consequences to British Columbia. The packers openly assert they will not submit to it. [...] We cannot believe Governor Douglas will enforce a law which has such evident wrong stamped upon its face." OBSERVER. (1860, February 25). FROM OUR OWN CORRESPONDENT. *New Westminster Times*, p. 2.

³¹⁴ From British Columbia. (1862). *Further Papers Relative to the Affairs of British Columbia, Part IV*. London: George Edward Eyre and William Spottiswoode.

of the country is transacted in gold dust of uncertain value, and it is easy to conceive the difficulty and inconvenience of adjusting payments by such means, when the holder and receiver are both alike subject to loss, and fearful of imposition.

The effects of an over-restricted monetary circulation are now, however, operating so fatally in both colonies that it is indispensable to devise a remedy for an evil that is sapping the very foundation of our prosperity. To illustrate this fact, I would inform your Grace that at this moment there is an amount of gold dust in the hands of miners from Cariboo, residing at Victoria, exceeding one quarter of a million sterling; and so great is the present dearth of coin that it brings a premium of five per cent and over when procurable, which is not generally the case, as men may be seen hawking bars of gold about the streets of Victoria, who cannot raise coin enough, even at the high rates of discount just mentioned, to defray their current expenses. The miners and other holders of gold dust are naturally incensed and refuse to submit to this depreciation on the value of their property, when they know it can be converted into coin for the moderate charge of one-half of one per cent. at the United States Branch Mint in San Francisco; making an important saving to them of 4½ per cent. They are consequently leaving Victoria by every opportunity; and it is most painful to witness a state of things which is rapidly driving population and capital from the country.

It has been suggested that an issue of notes of varying values, guaranteed by the Government and payable on demand at the public Treasury would, by providing a cheap and simple medium of exchange, meet the evil; but independently of the general objections to a paper currency, its effect in banishing the precious metals, in producing unhealthy inflation and rash speculation, and the fluctuation in the value of the circulating medium, it appears to me that the ramifications of business are not extensive enough to retain the notes in circulation; they would therefore simply return to the Treasury, and soon exceed our means of payment.

This I conceive would be the inevitable result of an issue of paper in the present condition of the Colony, unless the notes were made a legal tender, a measure which I am not prepared to recommend.

As a safer remedy and one more suitable to the actual circumstances of the Colonies, I propose to take immediate steps for the manufacture of gold pieces, equal in value to the 10- and 20-dollar American coins, and to bring them into general use as a circulating medium in both Colonies.

This plan does not contemplate refining the gold, as the expense would be greatly increased by that process: it is merely proposed to bring it to a uniform standard of fineness, without separating the natural alloy of silver which to some extent exists in all the gold of British Columbia.

The pieces will be prepared at the Government Assay Office, and will bear the stamp of unquestionable character; and I am of opinion that by making the gold contained in them of the full current value of the piece, without taking the silver into account, which I propose should go as a bonus, they will not only answer as a cheap and convenient currency within the Colonies, but also have the same exchange value when exported to other countries.

It appears from experiments made by Mr. Davidson, a gentleman of large business experience, and agent for the Rothschilds at San Francisco, that the average fineness of Californian gold in its natural state ranges between 880 and 885, that is to say, in valuing the samples brought to him for sale, his calculations have always been based on those figures, and have never proved defective. This shows that some simple process for roughly determining the value of Fraser River gold may also be arrived at; and that knowledge will facilitate its reduction, within 10 or 20 thousandths, to a uniform degree of fineness, in order that the pieces representing the same value may not vary in weight.

All the machinery required for this purpose may be procured at San Francisco for the moderate sum of five hundred pounds, and without materially adding to the expense of the present Assay Establishment. Mr. Claudet thinks it will be in his power to manufacture all the pieces wanted for the circulation of the country.

I have submitted this plan for the consideration of the principal banking and commercial houses of Victoria, with the object of obtaining their views as to the probable effects of the proposed currency on the general business of the country, and more especially as to its exchange value when exported to pay for supplies: the single point which I think admits of any question, for in that case it would probably be treated as simple bullion.

It was clearly proved by the statements of those gentlemen that the actual cost of importing coin from other countries is rather over 5 per cent., which they believe to be the actual cost of our present metallic currency. Not having had a sufficient time for consideration they were not, however, prepared to give a decided opinion on the general measure, but they admitted that it would establish the value of the gold produced in British Columbia in the cheapest manner, and provide a metallic currency for the country at a cost of 4 per cent. less than is paid for imported coin, and offered no objections either to the plan or the basis of the proposed currency.

If the principal banking and mercantile houses agree among themselves to receive this currency as a legal tender, no difficulty will be experienced in carrying the measure into effect; and no reason exists why it should not receive their hearty support, as it will surely tend to their advantage, not only by the saving, as before shown, of 4 per cent. on the cost of importing coin, and the complete removal of the cause which is draining the country of wealth and population, but also in the numberless other ways by which the investment of capital serves to promote the general prosperity.

I will only further remark that considering the great importance of the object in view, and the advantages expected from the operation of this simple and inexpensive plan of providing a metallic currency of character unsuspected and intrinsically equivalent to its stamped value, and therefore not subject to depreciation nor open to the objections which may be urged against a paper currency, I can hardly doubt that Her Majesty's Government will in these circumstances withhold their approval, or object to my declaring it a legal tender, and causing it to be received at all the public offices within the Colonies in payment of duties and taxes; especially as there is no prospect of this currency being replaced by any preferable circulating

medium until the produce of gold, by its abundance, renders the establishment of a branch of the Royal Mint in British Columbia a public necessity.

I have, & c.

(Signed) JAMES DOUGLAS.

His Grace the Duke of Newcastle, K.G., &c., &c., &c.

Hamilton to Rogers³¹⁵ (February 1, 1862)

Treasury Chambers
1st February 1862

Sir

[...] I am directed [...] to acquaint you [...] that my Lords are of opinion that to meet the pressing emergency described in the despatch from the Governor of British Columbia, it will be expedient to authorize him to adopt the provisional measure which he recommends, of fabricating pieces of the intrinsic value in gold, of the United States 10- and 20-dollar pieces, to pass current as money, and to be received in payment of government dues.

Experience has shown that the recognition of coins or tokens by accepting them in government contracts is generally sufficient to give currency to them without declaring them to be legal tender, and my Lords think that it would be desirable, if possible, to [take] that step in the case of a provisional token issued without the controlling authority of the Master of Her Majesty's Mint. They would not, however, object to a discretionary authority being given to the Governor to declare the proposed pieces to be legal tender for a limited period – say, one year – with power to extend the same by Proclamation for further limited periods, in case it should be found that the tokens do not obtain currency without such sanction.

My Lords suggest that the proposed pieces should bear a distinctive Assay Mark denoting their gross weight and intrinsic value in current money, and they consider that the Governor is quite correct in his opinion that such value should be determined by the quantity of fine gold contained in each piece, without regard to the silver found in the native gold.

It is true that the admixture of silver would give to the coins additional value in the general bullion market – but it is the invariable practice to regard silver contained in gold coins as alloy, not affecting their value in current exchange. Such is the case with the British Sovereign, commonly called the “dragon” (from the device of St. George and the dragon on the reverse) which contains a considerable portion of silver introduced intentionally as alloy, and with the gold coins of Australia – the native gold of which contains a considerable portion of silver.

³¹⁵ Hamilton, George Alexander to Rogers, Frederic 1 February 1862, CO 60:14, no. 1137, 135. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B625TE03.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

It will probably be desirable to protect the circulation of the proposed pieces by enacting penalties for the fabrication of the Assay Marks, and for attempting to pass them after they have been clipped or otherwise wilfully deteriorated.

Whatever may be the device adopted, the pieces should not bear the effigy of Her Majesty the Queen, which is proper [only] to coins issued from Her Majesty's Mint.

My Lords have confined their approval to the measure recommended by the Governor of British Columbia, but it may be a question whether pieces of lower value than 10 gold dollars may not be desirable, and they would not object to his being allowed a discretion to issue these of the value of 5 dollars, which would be equivalent to £1 0s. 6d. in British money.

I am, Sir, your obedient servant,

(Signed) Geo. Hamilton

Douglas to Newcastle³¹⁶ (July 28, 1862)

Victoria, Vancouver Island
28th July 1862

My Lord Duke,

I have the honor to forward to you herewith at the desire of the gentlemen of the assay department of British Columbia, certain correspondence respecting a claim put forth by them to an increase in salary.

I regret that these gentlemen should have assumed the position that these documents will disclose, for it appears to me to bear very much the complexion of an attempt upon their part to coerce the Government into a compliance with their demands, at a moment when they believe their services are indispensable, and the Government wholly in their power to carry out an important measure in connection with their Department.

Your Grace is aware of the project I entertained of issuing gold pieces from the Assay Office of the value of ten and twenty dollars, American currency, and Her Majesty's Government have approved the scheme. To carry it out I consider the staff at the Assay Office ample – in short, that is proved by the fact that a large number of these pieces have for practice been produced by that staff, and indeed the gentlemen themselves do not pretend to assert that they are unequal to the labor. They consider, however, the operation as one in no way connected with their duties, and before undertaking any of the work, apply for an increase of salary. I inform[ed] them that when the contemplated arrangements are carried out, I will take their case into

³¹⁶ Douglas, James to Pelham-Clinton, Henry Pelham Fiennes 28 July 1862, CO 60:13, no. 8834, 303. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B62032.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

consideration. They [replied] by refusing to “take any part” in what they term “mint operations”.

They also endeavor to support their claims to increased salary by referring to “promises of the Home Government” made through the Master of the Royal Mint at the time he engaged them. For these assertions I cannot find the least foundation. The reporters of Professor Graham respecting the engagement of these gentlemen are full and precise. An increase of salary is promised after the first year of their engagement. That increase was duly accorded; therefore perfect faith has been kept with them in the promises made by Professor Graham, and not only so, for they have since their arrival in the Colony been provided with free quarters, an advantage which does not appear to have been promised by Professor Graham, and one which is not to be lightly estimated in a country where most of the other public officers have had to incur a heavy outlay in purchasing land and building houses for themselves. It is, however, not improbable that Professor Graham did hold out hopes to these gentlemen that in time they would attain larger salaries than he could offer; to an increase the legitimate result of their own exertions and integrity, but such a circumstance would form no ground on which to assert so positive a claim as that put forth by these gentlemen, nor to justify them in the course they have adopted.

I cannot, therefore, consider that these gentlemen have any case of complaint to present to your Grace, and I trust your Grace will support me in the action I have taken. The period for which these salaries were assured to them by Professor Graham will expire next month, and it was my intention then to remodel the establishment, for it has been a most expensive one, the entire outlay in connection with it having exceeded £9,000, while the receipts are little more than £900. The staff has been a double one, and capable of conducting the most extensive operations, but 40,000 ounces of gold only having passed through their hands in 2 years, these gentlemen have in consequence been leading a life of comparative idleness. Now, when there is a prospect of their services being remunerative, they refuse to render those services unless specially paid for them.

Your Grace will observe that when first requested by these gentlemen to refer their case to you, I declined to do so, considering that there was no necessity to trespass upon your Grace’s time with a matter of detail which was left for me to settle. As, however, they have claimed their right to such reference, I have only to comply with the regulations of the Service and to forward the correspondence with this my report.

I have the honor to be, My Lord Duke,

Your Grace’s most obedient humble servant,

(Signed) James Douglas.

[ENCLOSURE]

Government Assay Office
New Westminster
July 14, 1862

Sir,

With respect to His Excellency's refusal to comply with an application for reference of our claim to the Home Authorities, we have now respectfully to insist on the privilege accorded by the rules of the Civil Service of addressing the Secretary of State, and to that intent enclose a copy of the whole correspondence that has passed on the question at issue, which with the present covering letter His Excellency the Governor will be pleased to forward at his earliest convenience.

And we beg to call the attention of His Grace the Duke of Newcastle to the points for which we contend.

Firstly: That assurances of salaries larger than those we at present receive were given us by Mr. Graham.

Secondly: That we have an additional claim for increased salaries in view of the additional responsibility for bullion about to devolve upon us, and of the performance, in coining operations, of duties no part of those for which we engaged, as our official titles significantly express.

We have the honor to be, Sir, your most obedient servants,

(Signed) F. G. Claudet, Chief Assayer

F. H. Bousfield, Assistant Assayer

Chas. A. Bacon, Chief Melter

W. Hitchcock, Assistant Melter

[MEMORANDUM, GOSSET TO ASSAY OFFICIALS]

May 20, 1862

[Gentlemen,]

The expansion of the melting and assay offices into a coining department necessitates a distribution of the new operations.

The following arrangements, in outline, as requested to be prepared for at once by the offices concerned, as the machinery, now nearly erected, should be tried and proven in work with the metal gold as soon as possible, in case of failure in any parts requiring to be referred to the founder, who may, as is customary in the trade, repudiate any claim unless made within reasonable time of his delivery, and we are already late.

On Mr. Bacon, will devolve, the changing of pots, the stamping, for which purpose the dies will be issued [?] by me at each occasion and be fitted, and if necessary lathed, by the Engineer. Mr. Bacon also taking part with myself in the [illegible] the Engineer and laborer aiding with the machinery, requiring three hands.

On Mr. Hitchcock, the rolling, annealing, quenching, drowning, scouring, cutting, milling and burnishing; the labor aiding at machines requiring two hands while the Engineer attends the driving engine.

Our Messrs. Claudet and Bousfield checking each other in them, the rating and pot calculations, also the weighing of each coin separately, adjustment, ringing [?], and responsibility for the remedy [?]: Mr. Claudet assisting at the [illegible].

The Engineer will have sole charge of the boiler engine, and, assisted by the laborer, of the cleansing and repairs and greasing of the whole of the machinery.

Precautionary details for safety and record in the transfer of brokerage, scissel, bullion, coin [illegible] in the various processes, I do not enter into at present, as some matters are in abeyance on which such details would hinge.

N. B. It has been my study to so apportion the new duties as to be as equally fair to all as I can make them: to be as little irksome as possible, and in such a manner as to warrant a hope of the arrangement working well, so long, of course, as business does not increase to any amount.

(Signed) W. Driscoll Gosset, Captain, Royal Engineers.

Peel to Rogers³¹⁷ (October 23, 1862)

Treasury Chamber
October, 1862

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury [...] that they observe with regret the tone exhibited by the gentlemen of the Assay Department of New Westminster in British Columbia – in the correspondence enclosed in the despatch of the Governor of the Colony – which [...] as it will be seen by the observation of the Master of the Mint in his letter of the 3rd instant [...] – that the terms of their engagement do not support their right to any increase of salary beyond what they have already received.

My Lords would have been disposed to have expressed in the strongest terms their sense of the impropriety of the course taken and the language used by these gentlemen – and which as stated in Governor Douglas' letter of 28 July, appeared to bear very much the complexion of an attempt upon their part to coerce the Government into a compliance with their demands at a moment when they believed their services to be indispensable. Such a course and language on the part of any servants of Her Majesty would not, under ordinary circumstances, be tolerated in the Public Service.

Having regard, however, to the inexperience of these gentlemen and to the fact that their aid has been ultimately given to the Mintage [sic.] operations – My Lords will leave to Governor Douglas the decision as to the propriety of complying with Captain Gosset's recommendations for an increase of salary to the several members

³¹⁷ From Peel, Frederick to Rogers, Frederic 23 October 1862, CO 60:14, no. 10430, 296. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B625TE25.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

of the Assay Department in consideration of the additional duties now devolving on them.

Their Lordships think it right to recall the attention of the Secretary of State to the formal correspondence on the subject of the establishment of a Mint in British Columbia, and more particularly to the grounds upon which My Lords were pleased to raise the objections which they entertained to the establishment of an Assay and Refinery Department under Government control, instead of leaving such work to private enterprise.

The grounds upon which My Lords came to the conclusion that this might be permitted under the circumstances were: 1st, that no private establishment would command the confidence of the miners, [and] 2nd, that the government office would very soon become self-supporting.

It now appears that the public has not to any great extent availed itself of the Government Assay Office, and, consequently, so far from its being self-supporting, that a loss of upwards of £6,000 has already accrued.

There is no information contained in the paper before the Board as to what has led to a result so different from what was anticipated, and their Lordships request that a Return may be furnished showing what amount of work has been performed in the Assay Office – month by month – since it came into full operation – the actual current cost of the Office up to the latest period, and the receipts, accompanied by explanations of the causes which have led to the apparent failure of the project – and the view of the Governor with regard to the prospects for the future.

My Lords would also be glad to have the Governor's opinion as to retaining the office of New Westminster or removing it to Victoria.

I am, Sir, your obedient servant,

(Signed) F. Peel.

Gosset to Elliot³¹⁸ (November 10, 1862)

50 Gloucester Crescent, Hyde Park
November 10, 1862

Sir,

[...] In your letter under acknowledgment, the sum of £9,000 is in error quoted to me, as outlay in connection with the Melting and Assay Department; whereas, that sum [...] includes the cost (about £2,000) of the Mint, or coining, machinery, produced by Mr. Douglas in 1861, prematurely as I thought at the time, and erected by me at New Westminster prior to my departure. [...]

Other reductions should be made in studying the legitimate cost of the Assay Establishment.

³¹⁸ From Gosset, William Driscoll to Elliot, Thomas Frederick 10 November 1862, CO 60:14, no. 11057, 385. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B626G01.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

Although such corrections in the total expenditure, are necessary towards an impartial scrutiny of the Department's career, it is not to be inferred, that I ever calculated upon first cost, plant, freight, passages, buildings &c. &c., being directly repaid by current receipts.

When I wrote on the 25th April 1859, advocating the Melting and Assay parts of a Mint, I only anticipated the direct repayment of current expenses by current receipts, and that, not until after the first year of the Department's establishment.

That my original expectations have not been fully realized, and may not be even during another year, does not shake my conviction of their rectitude. At the time I formed my opinions, I never imagined that British Columbia's capital would long be without a resident Governor, or the Colony without a Council and Assembly, or that therefore, many measures, contemplated at the time, deemed by the colonists essential to British Columbia's progress, and which such institutions would have ensured at an early date, could have remained wanting to this day!

The Assay Office has shared in the general effects resulting from lack of a popular policy. It suffered also a direct blow at the outset from delay in its establishment, for, doubts as to its future promptness [?] were at once engendered, and, to my discomfiture, private assayers were forming their connections the while. Notwithstanding these drawbacks, the Department is steadily gaining public confidence. A comparison of corresponding quarters, exhibits a regular and promising increase of business; and, the receipts by fees, although, as you remind me, [were] only £900 in two years, were £600 in the second year, or one third of the annual current expenses.

In August, my last month in the Colony, about 5,500 ounces of gold were received for Assay, against 1,700 ounces in the corresponding month of last year – a triple quantity. Should this rate of average [increase] continue, the Department would be directly self-supporting.

But, whether the current fees do or do not suffice to defray expenses, is regarded by the colonists as a matter of very little moment. The effect of the government office in checking malpractices amongst private assayers, is understood and loudly acknowledged. The saving to the colony by this alone, at the lowest computation, exceeds the total cost of the Assay Department, first cost, current expenses, and every other item included.

To confine any examination of the department's worth, to the mere consideration of its apparent cost, to the exclusion of the well-known fact that any disturbance of its operations would be the tocsin for an enormous loss to the general community, would but ill accord with the views of the remarkably intelligent and practical people of British Columbia, who, sensible of the department's great value, desire its fullest development, and, of all expenditure out of taxation, have approved none more than that for the erection of the Melting, Assay (and now Mint) buildings in New Westminster, and for preserving efficiency therein.

I have the honor to be, Sir, your most obedient servant,

W. Driscoll Gosset

Deputy Master, B.C. Mint.

Douglas to Newcastle³¹⁹ (April 10, 1863)

Victoria, Vancouver Island
10th April 1863.

My Lord Duke,

I have the honor to acknowledge the receipt of Your Grace's Despatch No. 147 of the 28th October 1862, with copies of a correspondence with the Lords Commissioners of the Treasury on the subject of the Assay Department of British Columbia.

I observe with reference to the application of the Officers of the Assay Department, for an increase of salary, that Your Grace has left the matter to be dealt with according to my discretion, and I have Your Grace's instructions to furnish a return of the amount of work performed at the Assay Office, and its current cost, and receipts, up to the last period, with other information connected with that Department of the public service.

I have now the honor of transmitting a return made up in conformity with Your Grace's instructions.

It exhibits the whole quantity of gold assayed at the Government Office from its first establishment in the year 1860, to the 17th March 1863, and also the receipts and cost of the Department, including buildings, for the same time, from which it appears that the expenditure of the Department exceeds the receipts, from every source, to the extent of [...] £10,040 9s. 11d.

These results, which are so different from what was anticipated, may be attributed to two causes:

First – The condition of the colony.

Second – The cost of the establishment.

In regard to the first, although the country in its normal state abounds in natural resources, these resources are as yet undeveloped. Mining is at present its only industrial pursuit, and gold its only available product. This it has to give in exchange for food, clothing, and all the other necessaries of life consumed within the Colony. For these indispensable wants it is absolutely dependent on other countries, and is thus being continually drained of its sole export and convertible capital, the gold.

The colony of Vancouver Island has no mines of gold, and is not in a much better position with respect to other native products than the sister Colony. The trade of the former is confined to furs, coal, and timber of various kinds, which are exported in small quantities, while the balance of trade, being against the Colony, is made up by remittances of cash and gold dust.

³¹⁹ From Douglas, James to Pelham-Clinton, Henry Pelham Fiennes 10 April 1863, CO 60:15, no. 5386, 206. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B63019.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

This operates as a further drain upon the supply of gold, which being generally exported as received from the mines, greatly diminishes the work, and affects, to a ruinous extent, the interests of the assay establishments in both colonies.

The following trade statistics, in which the two colonies are treated as one, and in the same country, having a common interest and administrative system, will serve to illustrate the foregoing remarks.

The declared official value of imports, at Victoria, for the year ending with 31st December 1862, was in round numbers [\$3,610,000].

In the payment of these imports, I assume that one sixth of that sum, equal to [...] [about] \$602,000 has been met by cash payments, and by exports of furs, coal and timber, including an allowance for bad debts; there would then remain a balance of [...] \$3,008,000 against the Colony to be paid in gold dust.

The yield of gold in the whole Colony of British Columbia for 1862 is roundly estimated at [...] \$5,000,000. Assuming as above that [...] \$3,008,000 was remitted in payment of imports, and that [...] \$388,000 left the Colony in private hands, not in payment of imports, forming in all a total export for the year of [...] \$3,396,000, there would remain an excess of gold dust produced over the quantity exported equal to [...] \$1,604,000. This, as will appear hereafter, very nearly represents the declared value of the gold dust assayed in 1862, within the two colonies.

I may here remark that besides the government establishment at New Westminster, two private assay offices are in full operation at Victoria.

Their respective returns for the year 1862 are as follows:

	Ounces	Value in Dollars
Gold assayed at the Government		
Office New Westminster	40,430	\$634,137
Molitor [House], Victoria	41,900	\$657,275
Lording [House], Victoria	19,308	\$300,000
Total	101,638	\$1,591,412 ³²⁰

It is thus found that over two thirds of the aggregate yield of gold is annually sent abroad, and that less than one third of the whole is actually assayed in the two colonies. These returns also show that the public have not given a decided preference to the government establishment, and moreover that the entire receipts on the assay business of the two colonies, if thrown into one sum, would not cover the annual expenditure of the government establishment alone.

In respect to the second cause of disappointment in the expectations of the Government Assay Office, viz., the cost of the establishment, I would observe that the establishment is upon a scale not proportioned to the circumstances of the Colony.

In my despatch of the 11th April 1859, No. 135, I mentioned that in my opinion an Assay Office suitable to the requirements of both colonies could be established at an outlay not exceeding [...] £600; subsequent events have confirmed me in this

³²⁰ The original incorrectly has \$1,585,412 here.

opinion, and have shown me that it was just. The Master of the Royal Mint, when organizing the establishment, appears to have taken for his guide a letter from Captain Gosset, the Treasurer, forwarded in my despatch of the 25th May 1859 No. 158. In transmitting that letter which I did at the solicitation of Captain Gosset, I merely drew attention to one point contained therein, viz., the serious inconvenience which was then experienced from the want of British coin in the country. I did not consider it necessary to dissect the arguments of Captain Gosset, first because the fallacy of many of them seemed to me immediately apparent, and secondly, because I forwarded the document not as part of an official project, but simply as an emanation from an individual desirous of placing his particular views before the Secretary of State.

From what is before stated it is patent that the Assay Department maintained by the government at New Westminster is not, and cannot, in the present circumstances of the Colony, become self-supporting without a great reduction in the cost of management.

I was in hopes of being able to provide remunerative employment for the assay staff and of its becoming useful to the Colony, by the plan of coinage proposed in my despatch No. 67 of the 14th November, 1861, but the Assay Officers have recently stated so many objections to that plan, though originally proposed by themselves, and have suggested so large an increase in the establishment preliminary to commencing operations, that without some better guarantee of success, and of their zeal and ability to conduct the establishment, than I have yet to record, I cannot recommend the outlay.

By reducing the staff of officers, and the whole cost of the Assay Department, to a parity with private assay offices, wherein an equal amount of work is done by a single assayer, and one occasional assistant, we might succeed in equalizing the amount of receipts and expenditure, otherwise I regret to state that I see no prospect of rendering the establishment remunerative or of maintaining it without a heavy charge to the Colony, which is certainly not met at present by compensating advantages.

It is true that many indirect benefits do result to the Colony from the existence of an establishment in which the miner believes he can place implicit confidence, and I should be loath to see the Government Assay Office at New Westminster broken up entirely; but I feel that I cannot with consistency recommend its continuance on the present expensive scale. I would therefore suggest, if Your Grace sees fit to retain the assay establishment at New Westminster, that the staff should only consist of one Chief Assayer, and one Assistant or operative Melter, which staff I consider should be sufficient to meet all the present requirements of the Colony. When business increases beyond the compass of such a force, additions can be made.

With reference to the question raised in the last paragraph of the enclosure to your despatch, as to the expediency of removing the Assay Department from New Westminster to Victoria, I would observe that most of the foregoing remarks apply with equal force to Vancouver Island. A Government Assay Office, however, would undoubtedly do a larger amount of business at Victoria than at New Westminster, for

the reason that Victoria, being more built up and settled, offers greater inducements to miners as a resort than New Westminster, and the great body pass through the latter place on their way to Victoria, and to San Francisco, which in its turn through its agreeable winter and varied amusements carries off large numbers that would no doubt remain in Victoria, or New Westminster, did they possess equal attractions, but there still remains the fact before shown that the whole receipts from the gold assayed under existing circumstances in both colonies would not suffice to cover the expense of the present government establishment at New Westminster alone.

The Legislature of Vancouver Island have upon several occasions discussed the matter of the establishment of an Assay Office and even of a Mint at Victoria, and I believe all parties in Vancouver Island are alive to the benefits that would thereby accrue, and I doubt not that the Legislature would readily vote the funds necessary for the support of an establishment on a commensurate scale should Your Grace, after what I have herein stated, decide to abolish the establishment at New Westminster, and to reorganize it on a more economical footing at Victoria. I do not, however, believe that a government establishment at Victoria, even on a reduced scale, would be self-supporting for the first year or two, but the indirect advantages resulting therefrom would probably more than compensate the balance of expenditure over receipts.

I have the honor to be, My Lord Duke,

Your Grace's most obedient humble servant,

(Signed) James Douglas.

Mackean to Elliot³²¹ (February 11, 1864)

80 Lombard Street, C.C.
London, February 11th, 1864.

Sir,

I take the liberty of drawing your attention [to] the importance of establishing a mint in British Columbia for the purpose of coining the gold that is produced in that colony.

At present all the gold has to be sent to San Francisco to be coined, and two months elapse before the coin can be received back in British Columbia, causing a loss in interest alone, at colonial rates, of four per cent, and two per cent more for freight and insurance, in all a loss of six per cent.

The banks and merchants of British Columbia and Vancouver's Island keep all their accounts in the dollar currency, and the bank notes in circulation in the two colonies are in dollars, and as this is also the case in Canada, I would strongly recommend that any gold that may be coined in British Columbia should be in dollars and cents. Most of the commerce of the two colonies being with the United States, in which the dollar currency prevails, is also another argument in favor of the adoption of that currency.

The Canadian government, as you are no doubt aware, has for the last few years abandoned the Halifax currency, and now keep their accounts in dollars and cents.

I have the honor to be, Sir,

Your obedient servant,

(Signed) Thos. W. L. Mackean

Chairman, [Bank of British Columbia]

³²¹ From Mackean, Thomas William Lockwood to Elliot, Thomas Frederick 11 February 1864, CO 60:20, no. 1206, 106. *The Colonial Despatches of Vancouver Island and British Columbia 1846-1871*, Edition 2.2, ed. James Hendrickson and the Colonial Despatches project. Victoria, B.C.: University of Victoria. <https://bcgenesis.uvic.ca/B645MI02.html>. The B.C. Genesis transcription was not used. New transcription from images of the original by C. Willmore, August 2022.

GOLD – Its properties, modes of extraction, value, &c. &c.³²²

PREFACE

Although this is a gold producing country, and the precious metal passes through the hands of so many, there is, doubtless, a large number of persons quite uninformed with respect to the conditions under which gold occurs in nature, the various processes by which it is obtained, and its commercial value after it has been collected.

This little pamphlet has been written with the view of presenting the subject to the Public in as condensed a form as possible, in order to enable those who cannot spare the time, or who may not have the patience to read through a large work, to acquire, by the perusal of a few pages, an insight into some of the most important features of an interesting and useful branch of study.

HISTORY AND PROPERTIES OF GOLD

Gold has been known from the earliest ages of the world and has been universally employed as a medium of exchange.

We hear of its having been used by the Hebrews, Egyptians, Greeks, Romans and other ancient nations, in about the same manner as it is at the present day. The first allusion made to gold in the Bible occurs in the 2nd chapter of Genesis, v. 11 and 12.³²³ But the earliest practical application of the use of gold appears to be that mentioned in the 24th chapter of Genesis, v. 22,³²⁴ B.C., 1857,³²⁵ where it is evident that the precious metal was not only known but wrought. Eleazer, the servant of Abraham, gave to Rebecca, the future wife of Isaac, an earring and two bracelets of gold. It is also mentioned by Moses in the 31st chapter of Numbers,³²⁶ where he says, “Only the gold and the silver, the brass, the iron, the tin, and the lead, everything that may abide the fire, ye shall make it pass through the fire and it shall be clean.” The alchemists designated it by the name, and gave it the symbol, of Sol.³²⁷

It is the most precious of all the metals, possesses a beautifully rich yellow color, and has no perceptible taste or smell. When pure its specific gravity is 19.3, being, with the exception of Platinum and Iridium, the heaviest of all known substances.³²⁸ In its native state the specific gravity varies from 13 to 18.

³²² Claudet, F. G. (1871). *GOLD, Its properties, modes of extraction, value, &c. &c.* New Westminster, B.C.: Office of the “Mainland Guardian”.

³²³ From the King James Bible: “The name of the first is Pison: that is it which compasseth the whole land of Havilah, where there is gold; / And the gold of that land is good: there is bdellium and the onyx stone.”

³²⁴ From the King James Bible: “And it came to pass, as the camels had done drinking, that the man took a golden earring of half a shekel weight, and two bracelets for her hands of ten shekels weight of gold”.

³²⁵ That is, from the year 1857 B.C.E.

³²⁶ Verses 22-23.

³²⁷ Latin for “Sun”.

³²⁸ As of 1871. In the 21st century, osmium is the heaviest naturally occurring terrestrial substance, with a specific gravity of 22.59.

It is preeminently ductile and malleable; so malleable that it may be beaten out into leaves so thin that one grain of gold will cover 59 square inches; so ductile that a single grain weight³²⁹ may be drawn into a wire 500 feet long.

It fuses at a temperature estimated at about [1,947]³³⁰ degs. Fahrenheit.

Gold is invariably found in the metallic state, but is never quite pure, being alloyed with silver in different proportions, and being generally associated with small quantities of copper, iron and other metals.

There are other combinations of gold, which are, however, of comparatively small commercial importance. One, an alloy of gold with Palladium, called Palladium gold, another with Rhodium, called Rhodium gold.

There is also a native amalgam of gold and mercury.

The *Electrum* of Pliny, so called by him on account of its amber color, seems to be a definite compound; specimens from Siberia, analyzed by Klaproth, were found to contain 64 parts of gold and 36 parts of silver.

There are few parts of the globe in which gold has not been found more or less to exist, but it occurs very irregularly, here and there in great abundance, in some places in minute quantity. Prior to the great Californian discovery, in 1847, various countries in Europe, Asia, Africa and America had contributed large supplies of the precious metal, the most celebrated mines of which, in Europe, are those in Transylvania, which have been worked since the times of the Romans.

There are mines in various parts of Africa; those on the Mozambique Coast are supposed by some historians to have been the famous Ophir of the time of Solomon. Subsequent to the discoveries in California and Australia, the old gold mines have become of comparative insignificance, as these two regions now produce more than four times the amount yielded by all the other countries put together.

Further discoveries of considerable importance continue to be made, among which those in British Columbia occupy a prominent position.

Gold is largely obtained from alluvial washings, in the shape of fine particles and water-worn plates and scales, but crystallized specimens are occasionally met with. These crystals are in forms belonging to the monometric system, such as cubes and octahedrons, generally the latter. Sometimes larger clumps, or “nuggets,” are found, weighing several ounces, and in a few rare instances, many pounds.

GEOLOGICAL POSITION OF GOLD

There are four different lithological situations in which gold occurs:-

1. In veins, generally enclosed in metamorphic slates.
2. In small threads, traversing the quartzose veins of the more highly crystalline rocks.
3. In placer deposits formed by ancient river systems, known as deep diggings.
4. In placer deposits, distributed by the present river system, giving rise to what are called shallow diggings.

³²⁹ About 0.065 grams.

³³⁰ The original read “2,020”. I’ve replaced this figure with the modern value.

The most productive gold-bearing quartz is generally found to be that which intersects talcose, chloritic and argillaceous schists, although valuable gold veins are occasionally met with in granite, gneiss and porphyry.

These veins have most frequently the same "dip" and "strike" as the slaty rocks in which they are enclosed. Their width varies from a fraction of an inch to several feet; some have been known to attain the extraordinary thickness of a hundred feet; and their richness in gold is equally uncertain.

When rocks remain stratified, in nearly the same position in which they were originally deposited, they are rarely found to be highly auriferous; but when they have been upheaved, or raised on edge, by eruptive masses, and have assumed a crystalline texture, there is good reason to expect the presence of the precious metal.

The auriferous veins are presumed, by some geologists, to have originated at the time of the metamorphic action, by which the change in the strata was effected. This action does not, however, appear to have been confined to any particular geological epoch, and it is probable that these alterations, which are most likely very slow in their progress, may have been repeated at periods of time exceedingly distant from each other.

The widest veins are not usually the richest, and it has been found that some of the laminae running parallel with the enclosing walls are uniformly more productive than others. It therefore not unfrequently happens that a portion of a vein, rich enough to be treated with advantage, is separated from another band, comparatively worthless, by a distinct heading, or false wall.

As a general rule those veins are most productive which afford considerable quantities of sulphides; although, near the surface, these have, almost invariably, become decomposed, thereby liberating the enclosed granular gold, and staining the quartz of a brown or reddish color.

When gold is found in white quartz, without sulphides, it is in most instances in flakes and granules of considerable size, and is consequently visible to the naked eye; but such veins, although affording fine specimens, are not often regularly and remuneratively productive.

The most profitable veins are generally only of moderate size, and seldom exhibit visible gold.

It was formerly believed that veins of auriferous quartz become gradually less productive as greater depths from the surface are attained, but experience has shown that this is in reality not the case. It is true that gold mines have fluctuated considerably in their richness at different depths, but it has not been found that these variations correspond with a gradual impoverishment in the deeper levels.

An illustration of this fact is found in many veins in California.

The North Star vein is now worked on its inclination to a depth of 750 feet, and affords quartz yielding, on an average, gold of the value of \$35 per ton of 2,000 lbs., whereas in the upper levels the value did not exceed \$20 per ton.

Hayward's Mine, in Amador County, is another still more striking instance of the produce of a vein not decreasing as it goes down. This ledge has been worked on

its inclination to a depth of over 1,250 feet, and yields quartz of much greater value than that obtained from the same vein near the surface.

The yield of the quartz veins of Victoria [Australia] has also not been found to decrease in depth. Some mines have been worked 500 feet from the surface and have experienced no diminution in their produce.

The greater portion of the gold of commerce, however, is derived from "gold-washing," or the separation of the metal from the superficial detritus, which is included by geologists among the drift and alluvial deposits.

The process by which these auriferous deposits have been formed is a question which has not yet been satisfactorily solved.

The prevailing opinion is that, by various operations of nature, the gold has been broken away from the rock or vein in which it was elaborated, and has been carried by water some distance and then deposited along with the fragments of the rocks and minerals with which it was associated.

Professor Whitney says:-

"The separation of gold from its original matrix and its deposition among the strata of gravel, sand and clay, or beneath them upon the surface of the rock, has been the result of causes acting through an immense period of time; and which have not yet ceased to operate, although their energy seems no longer equal to what it must have been at a former epoch. The rocky strata of the earth are constantly undergoing abrasion from the combined action of various meteorological causes; of which one of the most powerful at present is the alternate freezing and thawing of water in fissures and cavities, which tends to ear away and disintegrate the most elevated portions, especially of the slaty beds, and to carry down the abraded and loosened materials, and spread them out in the adjacent valleys. In lofty and rugged mountain chains, where torrents of rain frequently fall, and the streams, suddenly swollen to a great volume, rush with tremendous violence down rapidly declining valleys, their force becomes capable of wearing away the rocks with great rapidity.

"This mechanical action is frequently aided by a chemical one; the strata undergoing a molecular change which softens them and renders their abrasion easy. As the enclosing rocks are thus worn away, the quartz veins become disaggregated by the oxidation of the iron they contain, and are themselves crushed into fragments and borne down into the valleys, where the metallic particles, having by far the highest specific gravity, are first deposited and sink to the bottom, while the lighter, earthy portions are carried farther."

Sir Roderick Murchison asserts that the more or less superficial deposits which contain gold, and known as "deep diggings," are not to be confounded with detritus formed by present atmospheric action, but rather that they are the result of diluvial currents connected with, and originating in, physical changes in the earth's surface, such as the elevation of mountain chains.

Another explanation of the formation of deep diggings has been advanced by Davison, which is perhaps entitled to a certain amount of consideration, although the great majority of geologists incline to the opinions of Sir Roderick Murchison and Professor Whitney.

Davison asserts that placer gold has been distributed and deposited by means of some igneous liquid rock, or lava, and that quartz veins and dykes have been the fissures of discharge.

His reasons for this conclusion are, that alluvial gold often has a fused appearance, and has a ragged and irregular surface, which must have been destroyed by abrasion; that it is found upon "bed rocks" in such shape and position that the agency of water alone could not have so placed it, and that it also occurs richly deposited in the neighborhood of ancient volcanic disturbance.

However much geologists may differ with regard to the origin of "deep diggings," there can be no doubt that the distribution of gold by the present river system, constituting the "shallow diggings," is purely referable to the natural grinding away of auriferous rocks, and the deposition of gold by the agency of water.

EXTRACTION OF GOLD

Gold mines may be divided into two distinct classes, viz.: placer mines, in which the metal is found embedded in clay, sand, or gravel; and quartz or vein mines, in which it is met with in its original matrix.

In the former, the gold-producing material is called "pay dirt," which on being subjected to the action of water, becomes disintegrated, and the lighter portions are mechanically carried off, whilst the gold, being heavier, remains behind.

In the latter, the rock has to be first obtained by the ordinary mining operations, as practiced with regard to other metals, then reduced to powder by mechanical means, and finally the gold is collected, either by washing or amalgamation.

Placer mines are generally those which first attract attention in a new country, and from which profitable returns are most easily obtained.

Water is the great agent by which placer mining is carried on.

These mines are of two classes, the shallow and the deep; the former are generally found in the beds of ravines, on the bars and in the beds of modern rivers, and on shallow flats.

In the latter, the pay dirt is often found at great depths from the surface, and is frequently covered by thick beds of lava, or volcanic ash, as in the case of the deposits under Table Mountain, Tuolumne County, and near Nevada City, California.

In the deeper placers, the gold drifts are reached either by shafts, or by means of tunnels. The pay dirt is thus extracted, conveyed to the surface and subjected to the process of washing.

In other instances, hydraulic mining is resorted to. Jets of water, under a great pressure, obtained from a high column, are directed against the deposits of sand and gravel, which are thus disintegrated and carried away by the current.

This is the most economical and expeditious method of working placer mines, when a sufficient supply and pressure of water can be obtained, and there is enough declivity below the auriferous beds to allow of the detritus being readily disposed of.

The pay dirt is almost invariably covered by layers of barren clay and sand, which are, in the shallow diggings, removed by the use of a pick and shovel; but in hydraulic workings, the whole is washed away by the force of a stream of water

playing against it, and any particles of gold which it may contain are caught in the sluices through which the lighter materials pass.

According to their topographical position, placer mines, besides being classed as shallow and deep, are subdivided into hill, bench, flat, bar, gulch and river diggings.

Hill diggings are in the sides of hills; bench diggings are on narrow benches on the declivities of hills, and above the level of existing rivers; flat diggings are usually in sand and gravel, on the sides of streams, and, ordinarily, above the surface of the water; gulch diggings are found in ravines and gullies, through which water passes only in times of excessive floods; river diggings are those which exist in the beds of rivers.

The terms sluice, hydraulic, tunnel, dry diggings, &c., are used to describe the different means employed for reaching the auriferous deposits and separating and collecting the gold.

The most simple appliance for the separation of gold is the well-known pan, which is used either for washing or as a receptacle for gold, amalgam, &c. After a certain amount of practice, the miner is able to get rid of the whole of the sand, clay and stones, retaining in the angle of the pan the gold and a small quantity of black sand,³³¹ which is too heavy to be separated from the gold by washing. It can, however, after drying, be, to a great extent, removed by the process of blowing and the use of the magnet.

The cradle consists of a box usually about forty inches in length and twenty in width, with one end from fifteen to twenty inches in height, the sides being sloped off at the lower extremity like those of a coalscuttle, the whole standing on rockers.

At the upper end of the cradle is the hopper, or riddle box, twenty inches square and six in depth, of which the bottom is composed of sheet iron, perforated with holes half an inch in diameter. This is not fastened to the cradle, but can be lifted on and off at pleasure and fits in so as to be quite steady when in its right position.

Beneath the riddle is an apron, made by stretching a piece of canvas on a framework resting on fillets, inclined from the bottom edge of the riddle towards the head of the cradle. Across the bottom are two riffle bars, about three-quarters of an inch in height, one towards the middle, and the other at the low end.

The dirt is shoveled into the hopper, and the miner rocks the cradle with one hand, whilst with the other he pours water upon the dirt. The action of the water and motion together disintegrates the dirt, which passes through the riddle and falls upon the apron, finally escaping at the lower end, leaving the gold, black sand and heavier particles of gravel behind the riffle bars. Mercury is sometimes used in the rocker, but is not generally recommended.

But by far the most important arrangement is the sluice, which is now almost universally employed for the collection of gold from placer mines.

The sluice is a long wooden trough, having a considerable inclination, into which the pay dirt is shoveled, and through which a rapid stream of water is continually flowing. At the bottom of this trough is a series of riffles, generally

³³¹ Hematite.

containing quicksilver, by which the gold is retained, whilst the clay, sand and gravel are carried off by the force of the current.

The ordinary sluice is composed of a series of rough wooden boxes, each twelve feet in length, and from sixteen to twenty inches in width, and from ten inches to a foot in depth.

The descent of a sluice is called its "grade," and is commonly from ten to eighteen inches on each box of twelve feet in length. This "grade" is regulated by the position and length of the apparatus and the nature of the dirt to be washed.

It is important to guard against giving too great an inclination, as there would be danger of losing the fine particles of gold; while, when clay is present in quantity, a small inclination will not easily effect its disintegration. A good deal of practice and judgment is obviously necessary to ensure the smallest loss of gold.

As a general rule, however, a fall of less than ten inches, or more than twenty inches, on the length of a twelve-foot box, is not suitable for the ordinary sluice.

If the pay dirt contains large blocks of stone and boulders, a large body of water and a rapid current are required. The upper part of a sluice is sometimes made steep in order to effect the disintegration of the dirt, whilst the lower is placed at a less inclination for the purpose of collecting the gold, and this arrangement is often found advantageous.

When the clay is very tenacious and rolls into balls, the lumps should be broken up at the head of the sluice, as balls of plastic clay, passing through the boxes, not only retain any particles of gold they may contain, but are also liable to pick up others which they may pass in their course.

Sluice boxes are provided with a false bottom for the purpose of retaining the gold, which would otherwise not only be taken away by the force of the current, but the bottoms themselves be rapidly worn out by the attrition of the stones and gravel passing over them.

Generally these false bottoms consist of longitudinal bars, from two to four inches in thickness, from three to seven inches in width, and about five feet and a half in length. They are wedged in the boxes, an inch or two apart, by cross pieces, so that two lengths of bars are fitted in the bottom of each box.

In the depressions thus formed, the gold, mercury, and amalgam are caught. When the sluice boxes have been all joined together, and the bars wedged into the bottom of each, the apparatus is ready for working, and the pay dirt is shoveled in at the head.

About an hour or two after the commencement of sluicing, some quicksilver is poured into the head of the apparatus, whence it gradually finds its way downwards. The greater the amount of fine gold present, the larger must be the quantity of mercury used. Small quantities of quicksilver are also sometimes introduced between the bars and various other places in the boxes.

When the gold is exceedingly fine an amalgamated copper plate is sometimes resorted to. This plate is about three feet by six, is set nearly level, and, when the sluice is very large, the stream is frequently divided into two or three separate portions, each of which is conducted over a distinct amalgamated plate. A well

amalgamated copper plate is considered as effective for saving fine gold, as an equal surface of pure mercury, and is not only cheaper, but also more easily managed.

The amalgamation is effected by washing the plate with dilute nitric acid, and then rubbing on with a rag, quicksilver, on which a little diluted nitric acid has been first poured. When a plate has been once well covered, this operation need never be repeated, it being only necessary to sprinkle its surface occasionally with a little fresh quicksilver, in proportion as the gold caught converts it into a solid amalgam. In order that these plates should work well, the current should be slow, and the water shallow, otherwise a considerable portion of the fine gold might escape without coming in contact with the face of the plate.

The collection of the dirt which accumulates in the bottom of the sluice, and the separation from it of the gold, amalgam, and quicksilver, is called the "cleaning-up," and the time between one cleaning-up and another is called a "run". A run commonly lasts about a week, and the cleaning-up is not infrequently reserved for the Sunday. This occupies about half a day.

The amalgam and mercury taken from the sluice are first separated from any sand, &c., by panning, then strained through buckskin, or close canvas, which allows the quicksilver to pass through, but retains the amalgam.

To obtain the gold, the amalgam is heated to volatilize the quicksilver; the gold is left in the form of a porous mass of a light yellow color.

This operation is most economically performed in a cast iron retort, provided with a refrigerator, by which the mercury is condensed and can be collected for subsequent use. But the miners often drive off the quicksilver by simply heating the amalgam in a shovel.

In small sluices, the bars are sometimes placed in a series of zigzags, instead of longitudinally or transversely.

The "under-current sluice" is a modification which is often found advantageous.

A grating is placed in the bottom of the lower extremity of the last box in the series, and beneath this is introduced another sluice with a lower grade and fresh supply of water.

The impetus acquired by the large boulders, in the first sluice, causes them to roll off over the grating, and together with a portion of the water, to escape at the lower end; whilst the introduction of clear water, the less inclination, and more moderate current, arrest many particles of gold that would, under ordinary circumstances, be lost.

There are also "rock sluices," but they are more difficult to clean up.

In "tail sluices" stone bottoms are used, having an inclination of about an inch to the foot. Tail sluices are used for collecting gold still retained by the dirt which has passed through the ordinary sluice. They are only cleaned up at the end of several weeks, and only require attention sufficient to prevent their choking. They are generally large, long, and paved with blocks of stone, or wood placed on end, and often afford large profits to their proprietors.

“Ground sluices” are used in localities where there is a large supply of water, plenty of pay dirt of low produce, and the necessary declivity.

A small gutter is first made with a certain inclination, and into this is directed a stream of water, by the action of which the channel rapidly becomes deepened and enlarged.

No mercury or riffles are employed in the ground sluice, but unless the bottom consists of a rough and irregular bed rock, some large stones should be roughly thrown in for the purpose of arresting the gold, which, if the surface were not uneven, would be liable to pass off and be lost.

In “river mining” the stream of a river is turned by means of a dam in connection with a ditch or large wooden flume. The dirt is subsequently washed.

The streams selected for this purpose are generally mere mountain torrents, of which the banks are steep and irregular.

This sort of mining can only be successfully carried on during the summer and early fall, when the water is not only low, but when there is also no danger of a sudden freshet which might sweep before it flume, dam, and tools together.

HYDRAULIC MINING

In order to treat most successfully the extensive beds of detritus forming the deep placers, the following conditions are involved:-

1. Whatever may be the depth of the auriferous gravel, the whole must be removed down to the bed rock.

2. This must be effected by the force of a column of water, manual labor being too expensive for the purpose.

3. The mechanical disintegration of the more or less indurated gravel must go on at the same time as the washing of the resulting debris, and be effected by the same supply of water.

4. Provision must be made for readily disposing of the large amounts of refuse resulting from the removal of such vast masses of auriferous gravel.

To fulfil these conditions, after having selected a sufficient extent of suitable ground, water is brought from a canal, by side flumes or aqueducts, to the head of the mining ground, with an elevation of from 120 to 160 feet above the level of the bed rock, where it is conducted into a wooden tank, into which it constantly flows. This box is provided with a valve from which the water is conveyed to the bottom of the claim by means of a strong sheet iron pipe, from eight to fourteen inches in diameter, communicating at the bottom with a thick rectangular cast iron chamber, in the sides of which are apertures provided with slide valves and union joints, to which are fitted strong flexible hose, terminating in bronze nozzles from two and a half to three inches in diameter.

The hose are usually made of closely-sewn heavy duck, and will, without external support, bear the pressure of a column of about fifty feet in perpendicular height. When, as is frequently the case, the pressure employed is greater than this, they require to be strengthened by iron rings. When so made, the hose will support the pressure of a column of a hundred and eighty feet in height. Sometimes a netting of cord is used instead of iron rings.

Streams of water are directed from the nozzles against the face of the gravel to be washed, with a force which is astonishing. Very often four or five such streams are made to act simultaneously, under a pressure of from 60 to 100 pounds to the square inch, against the face of the same bank.

Large masses of gravel are thus brought down, which fall with violence, rendering it necessary for the workmen to exercise great caution to avoid accidents.

The debris thus produced becomes rapidly disintegrated and is carried forward by the force of water to the sluice, through which it passes with the whole volume of the turbid stream.

Banks of more than 80 feet in height are usually worked in two benches.

The upper half is never so rich as the lower, but is, as a rule, less compact and more easily removed by the action of the water. Sometimes the lower section is so indurated that it requires the aid of gunpowder to loosen it.

The sluices employed in hydraulic mining are made wider than those used for other purposes, and are sometimes provided with wooden riffles, kept apart by slips of wood. In some the bottoms are paved with stone.

The gold is collected in the cavities formed by the different blocks of wood constituting the riffles. Between these riffle blocks quicksilver is placed.

Experience has proved that a larger portion of the precious metal is collected by this than by any other process, and at the same time the cost of handling a cubic yard of dirt is infinitely less.

As an evidence of the immense advantages of the hydraulic process over every other system of placer mining, it may be stated that the comparative cost of handling a cubic yard of gravel will be nearly as follows: with the pan, \$20.00; with the rocker, \$5.00; [and] by hydraulic process, \$0.05.

VEIN MINING

Having given, it is hoped, a tolerably clear idea of the various processes of gold washing, it is not proposed in the present little treatise to furnish more than a short description of the operations of vein mining, for the subject of quartz, or vein mining, is one of such magnitude and importance, that justice could not be rendered to it without enlarging this pamphlet to a size far exceeding that which was originally intended.

In vein mining, the miner undertakes through his own skill and industry, by breaking up the original matrix and extracting the precious metal which it encloses, to effect that which, at some earlier period of the world's history has, in placers, been done for him by nature on a gigantic scale.

The processes employed for the extraction of gold quartz, are identical with the ordinary mining operations in use for working regular mineral veins.

From the irregularity of the produce, it is impossible to ascertain the average yield of a vein without crushing and experimenting on large quantities.

But to judge, approximately, of the value of rock, a small quantity is pounded up fine and sifted. The sieve is examined to see if any flattened grains of gold remain on it.

The sand or powder thus obtained is washed in a shallow iron pan. Most of the gold is thus left in the angle of the pan. By continuing this process upon successive quantities of pulverized quartz, and when the bulk has been reduced to a manageable quantity, the gold is amalgamated with quicksilver, the amalgam strained to separate excess of mercury, and finally heated to expel the whole of it, leaving the gold.

After concentrating the gold in a small quantity of sand and pyrites, the residue may be subjected to the fire assay, by which, of course, a much more accurate results can be obtained than by amalgamation.

The processes employed for the extraction of gold are various. The two principal methods are "amalgamation" and "chlorination".

AMALGAMATION IN ARRASTRAS

This is an old method used by Mexican gold miners, but it gives tolerably good results. It is useful for testing the value of newly discovered quartz veins.

The arrastra consists of a circular pavement of stone, about twelve feet in diameter, on which the quartz is ground by means of large stones dragged in a circular way by chains, fastened to four arms of a strong upright wooden shaft.

One of these arms is made sufficiently long to allow mules to be attached for working the machine. Round the stone pavement are wooden sides about two feet in height.

Six to ten revolutions per minute are performed by the blocks of stone, each of which weighs from three to four hundred pounds. One and a half to two tons of rock, which has been previously broken in pieces about the size of an egg, can be ground in 24 hours.

The arrastra is charged with about two hundred pounds of quartz, and is set in motion, a little water being added from time to time.

When the ore has assumed the consistency of thick cream, quicksilver is sprinkled over its surface in the proportion of one ounce and a half for every ounce of gold supposed to be contained in the rock.

The grinding is then continued for about two hours. When the amalgamation is considered complete, water is admitted into the paste so as to render it thin, and the machine is turned more slowly, to allow the particles of gold and amalgam to sink to the bottom. After about half an hour the thin mud is allowed to run off, leaving behind it, in the bottom of the arrastra, the gold combined with the quicksilver in the form of amalgam.

Another charge of broken quartz is now put in and treated in the same way, and so on till it is thought desirable to stop to clean up. Sometimes one hundred to one hundred and fifty tons are thus worked through in one "run".

AMALGAMATION IN IRON PANS

There are several kinds of pans, named after their different inventors, among which the Wheeler pan occupies a favorable position.

The two conditions, friction and contact with mercury, are accomplished in a high degree by this pan, by which as much as 95 per cent. of the gold present is obtained.

AMALGAMATION IN THE BATTERY

The battery or stamping mill consists of a series of heavy pestles, working in a rectangular mortar, each of which is alternately lifted by means of a cam, and then allowed to fall with its own weight upon the quartz, which has been previously broken up in small lumps. The number of blows struck by each stamper is from 60 to 80 per minute.

The batteries are provided with amalgamated copper plates, three to five inches wide, having the length of the battery; one on the feed side and the other at the discharge, the former being protected by the iron feed plate. They each incline at an angle of 35 to 40 degrees towards the stampers.

The quantity of quicksilver required depends upon the quantity of gold in the ore. Each ounce of gold takes one, to one and a half, ounces of quicksilver, which is introduced from time to time by the feeder, during the stamping.

By this process 60 to 75 per cent. of the gold present may be extracted.

In some places the rock is crushed without the use of quicksilver in the mill. The sand and water issuing from the battery are conducted over blankets spread on the bottoms of shallow troughs, inclined at an angle of three or four degrees. Beyond the blankets there are generally riffles or amalgamated copper plates to catch the gold which may have escaped the blankets.

The stampers are generally kept at work day and night, and the cleaning up of the battery takes place about once a week.

When quicksilver is used in the battery, a large proportion of the gold obtained is taken from it in the form of amalgam, and even when this metal is not introduced a considerable percentage of the produce is obtained in cleaning up, having accumulated in the cavities around the dies in the shape of metallic spangles.

The coarser the gold in the rock, the larger is the percentage of the total produce retained in the battery.

The "Chlorination process" gives satisfactory results when the gold is in a finely-divided state. It is especially used for extracting the gold from tailings, and is based upon the property of chlorine, of combining with gold, forming terchloride [sic.] of gold.

The tailings are first roasted to expel the sulphur, arsenic, &c., sometimes a little salt or charcoal is added, the former, however, causes a loss of gold.

After six to eight hours roasting the ore is spread out to cool, and then sprinkled over with water and turned over till regularly and suitably moistened.

The stuff is then introduced into tubs about seven feet in diameter and twenty-five or thirty inches deep. These tubs have false bottoms through which chlorine gas is allowed to enter into the mass of damp tailings. At the bottom of each tub are two holes, one for the introduction of chlorine, the other for rubbing off the solutions

The gas is made from a mixture of salt, peroxide of manganese and sulphuric acid, and the evolution is kept up from twelve to fifteen hours, during which time the tubs are covered.

The covers are then removed and clean water introduced until it reaches the surface of the tailings, when the discharge pipe is opened and the liquid, containing the dissolved chloride of gold, is drawn off into glass vessels.

Sulphate of iron is added, which precipitates the gold as a brown powder, which is easily separated by decantation and filtration, and then melted into bars which are about 995 fine.

DETERMINATION OF THE VALUE OF A SPECIMEN OF GOLD QUARTZ, WITHOUT DESTROYING THE SPECIMEN.

Let a represent the specific gravity of the metal.

Let b represent the specific gravity of the stone.

Let c represent the specific gravity of the lump.

Let w represent the weight of the lump.

Let x represent the weight of the gold.

$$\text{Then } x = \frac{a(c-b)}{c(a-b)} w$$

The specific gravity of the metal and that of the stone have of course to be assumed, as they vary according to circumstances.

As a general rule in these calculations the former is taken at 19, the latter at 2.6. A convenient way of taking the specific gravity when no apparatus is at hand, is to fill a glass vessel with water, to a mark. Then pour, or draw off into another smaller vessel, so much of the water as will allow you freely to insert the specimen. After this, fill up to the mark again, from the water drawn off. The remainder of the drawn water is exactly equal in bulk to the specimen; the weight of the water, therefore, gives the divisor, the weight of the dry specimen the dividend: the quotient is its specific gravity.

CALCULATIONS OF THE VALUE OF GOLD

In the United States the value of gold is based upon the formula that 387 ounces of pure gold are worth \$8,000; one ounce of pure gold is therefore worth \$20.6718346.

To find the value per ounce of gold of any given fineness it is only necessary to multiply this sum by the fineness required and divide by 1,000.

Thus, to find the value of American Standard, 900 fine, multiply 20.6718346 by 900 and you obtain \$18.6046511.

In the United States Mints, the value of gold is calculated from the "standard" weight, viz: the weight of the bullion 900 fine.

Forty-three ounces of standard gold are worth \$800; therefore if the number of standard ounces are multiplied by 800 and divided by 43 the value is obtained.

For example, if it be desired to find the value of 258 ounces, 875 fine, multiply by 875 and divide by 900 to obtain standard, then multiply by 800 and divide by 43 to arrive at the value in dollars. Thus:-

$$258 \times 875 = 225,750 = 225.75 \text{ oz. of fine gold.}$$

$$225,750 \div 900 = 250.83 \text{ oz. of standard.}$$

$$250.83 \times 800 = 20,066,400.$$

$$20,066,400 \div 43 = \$4,666.60.$$

The “net” value of gold bullion is equal to the value of the gold plus the value of the silver alloyed therewith, less the expense of coining and refining.

In refining, that is the separation of the silver from the gold, it has been found expedient in practice to leave a certain small proportion of silver in the gold, since to extract the whole would be a much more expensive operation, and, for commercial purposes, not a necessary one.

The amount of silver which is retained in the gold is equal to 1-99 of the weight of the fine gold, in other words, the gold is refined to 990 fine.

It is usual to assume in calculating the value of bullion, that there are ten thousandths (0.010) of base metal present.

The following examples will serve to explain the manner in which the net value of a deposit is obtained.

Supposing we have a bar weighing 100 oz. gold 900 fine, value of the gold: \$1,860.46.

Supposing we have a bar weighing 100 oz. gold 900 fine, value of the gold	\$1,860.46
9 oz.. pure silver, less 1-99 of 90 oz. pure gold equals .909, which, deducted from 9 oz., pure silver, equals 8.09 oz.. Multiply this by the value of pure silver, \$1.2929, and the value of the silver is	\$10.46
Premium on silver in San Francisco Mints, 4 per cent	\$0.42
Value of the gold and silver	\$1,871.34
Deduct charges: 8 cts. per oz. for refining, \$8.00; ½ of 1 per cent for coining, \$9.35	<u>\$17.35</u>
Net value in gold coin at San Francisco	\$1,853.99

In the preceding case the net value in coin is \$6.47 less than the value stamped on the bar, which is that of the gold alone; it being the custom to look upon the silver as paying the expense of refining and coining, or in other words the conversion of the bullion into coin.

According to the proportion of the two metals the net value varies. In the example above given there was a loss. We may take another example in which the net value of the bar exceeds the stamped value of the gold, owing to the lower fineness of the latter and consequent larger proportion of silver.

100 oz. gold, 800 fine, value of the gold	\$1,653.75
19 oz. pure silver, less 1-99 of 80 oz. pure gold equals .808, which deducted from 19 oz. pure silver, equals 18.19 oz. Multiply this by \$1.2929, and the value of the silver is	\$23.52
Premium on silver in San Francisco, 4 per cent.	<u>\$0.94</u>
Value of the gold and silver	\$1,678.21
Deduct charges: 8 cts. per oz. for refining, \$8.00; 1/2 of 1 per cent. for coining, \$8.39	<u>\$16.39</u>

Net value of gold coin in San Francisco	\$1,661.82
Gain	\$8.07

A simple method of calculating the value of the gold and silver in a bar is to reduce the proportion to fine gold and fine silver, and multiply the value per oz. of pure gold and pure silver.

For example, a bar 250 ounces, 850 fine of gold, 140 fine of silver:

$250 \times 850 = 212\frac{1}{2}$ oz. pure gold, @ 20.6718 = \$4,392.75

$250 \times 140 = 35$ oz. pure silver, @ 1.2929 = \$45.25

Value of gold and silver: \$4,438.00

The above calculations give the San Francisco Mint value of gold bars, that is, the value of bars converted into coin in San Francisco.

Besides this there is the commercial value. Large quantities of unrefined bullion are required for exportation to Europe and the Eastern States, and the unparted gold may be said to vary in price like any commodity according to the supply and demand.

When gold bars are cited at 900 par, it means that the price is \$18.60 per ounce, i.e. the value of gold of the fineness of 900: and bars of a lower fineness would command a premium while those having a higher fineness would be subject to a discount.

For every degree of fineness above par, 1-100 of 1 per cent. is deducted, and for every degree of fineness below the par rate, 1-100 of 1 per cent. is added to the value of the bar.

Suppose 850 to be par. A bar 890 fine must be discounted 4-10 of 1 per cent, because it is deficient 0.040 in silver as compared with par rate. But if the bar be 840 fine, a premium of 4-10 of 1 per cent. must be allowed, because it contains 0.040 of silver more than the par rate requires.

In England the coinage of money is done by the government without any charge, and the United States Government has lately had under consideration the subject of either reducing the charge of $\frac{1}{2}$ of 1 per cent., or of abolishing it altogether, with the view of stopping, as far as possible, the outflow of bullion, and increasing the coinage of the country. If such a measure should take effect, no doubt the export of bullion from the United States would be to some extent checked, and the calculations of the value of gold given above would require some modifications.

MISCELLANEOUS

A cubic inch of fine gold weighs 10.1509 ounces, and is worth \$209.84.

A cubic foot of the same is worth \$362,600.

A cubic inch of United States Standard gold weighs 9.0989, and is worth \$169.28. A cubic foot of the same is worth \$292,500.

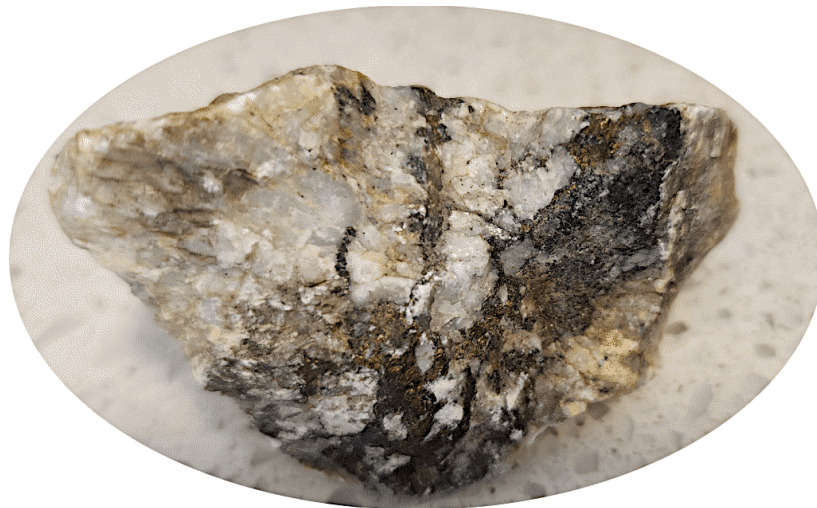
The Troy ounce is equal to 480 grains.

The U.S. \$20 piece weighs 516 grains.

The specific gravity of U. S. Standard gold is 17.3.

STATEMENT OF THE VALUE, PER OZ., OF GOLD DUST FROM VARIOUS LOCALITIES IN BRITISH COLUMBIA

	Fineness	Value of dust per oz.		Average Fineness	Average value of dust per oz.
Big Bend	892 to 923	\$17.37	to \$18.58	914	\$18.24
Barns Creek	895 to 926	\$17.42	to \$18.33	906	\$0.82
Cedar Creek	814 to 820	\$16.16	to \$16.46	814	\$16.28
Grouse Creek	802 to 827	\$15.52	to \$16.14	813	\$15.78
Keithley Creek	868 to 927	\$16.75	to \$18.08	896	\$17.74
Kootenay	895 to 920	\$17.67	to \$18.44	902	\$17.98
Last Chance Creek	905	\$18.10	to \$18.13	905	\$18.11
Lightning Creek	877 to 898	\$17.48	to \$17.93	888	\$17.80
Lillooet River	821 to 838	\$15.05	to \$15.72	832	\$15.42
Lowhee Creek	888 to 925	\$17.21	to \$18.37	906	\$17.83
Mosquito Gulch	906 to 915	\$17.88	to \$18.32	910	\$18.17
Peace River	860 to 869	\$16.54	to \$17.24	863	\$16.90
Rock Creek	847 to 862	\$16.78	to \$17.16	854	\$17.00
Stouts Gulch	892 to 913	\$17.59	to \$17.92	901	\$17.71
Van Winkle	899 to 923	\$17.58	to \$18.24	908	\$17.91
Williams Creek (upper)	821 to 835	\$15.35	to \$15.98	826	\$15.78
Williams Creek (lower)	847 to 869	\$16.60	to \$17.31	854	\$16.91



A typical quartz-containing ore sample from Southern Vancouver Island, 2022.
 Photo by and from the collection of Chris Willmore. For this ore generally,
 gold: 1.5 – 95 ppm; silver: 50 – 900 ppm and copper, > 1,000 ppm.

About the Author³³² - Robie L. Reid (1866 – 1945)

Born in Kentville, Nova Scotia, in 1866, he came to British Columbia in 1885.

Dr. Reid graduated from Dalhousie University and obtained his law degree at Ann Arbor, Michigan, in 1899.

Prominent in public life in British Columbia, he was an unsuccessful candidate for the Provincial Legislature in June, 1900, at New Westminster, where he had served as alderman from 1899 to 1900.

He was a debenture commissioner for the City of New Westminster under the New Westminster Relief Act of 1899, from that date to 1909.

In 1913 he was made a member of the board of governors of the University of British Columbia, serving that institution until 1935. For 10 years he was a member of the Vancouver Public Library Board.

In October, 1937, he was named president of the B. C. Historical Association. He was a bencher of the Law Society of B. C., an appointment he received in 1927.

His historical library at his home, 1736 Westbrook Crescent, University Hill, is one of the finest in British Columbia.

In April, 1936, Dr. Reid was made a Fellow of the Royal Society of Canada, and in the same year was honored by the University of B. C., when he received an honorary LL.D. degree.

He was a fellow of the Pacific Numismatic Society, San Francisco, and a member of the American Numismatic Association and the American Historical Society, Washington.

Dr. Reid was a prominent member of the Masonic Order, a member of the Independent Order of Odd Fellows, the Kiwanis Club, the Vancouver Club and Union Club of Victoria.

His law career in Vancouver began with his admittance to the Bar of British Columbia in 1893. At the same time he joined the late Judge Howay to form the firm of Howay & Reid, New Westminster.

³³² From Robie L. Reid, *Historian, Lawyer, Dies.* (1945, February 6). *The Province*, p. 1.