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You will require from
such Persons as may be duly licensed
to work Coal by the Hudson's Bay
Company, security for the payment of
a royalty of 2/6 a ton, which you
will levy on the spot, upon all Coal
whether procured by Mining or by purchase
from the Natives, the same to be held
by you and from time to time to be
duly accounted for.

In the event of any
breach or evasion of these regulations
you will immediately take measures
to communicate intelligence of the same
to me.

I remain

Sir

Your ob. Servt.

James Douglas

The above is a facsimile of a letter dated August 24th, 1852, from James Douglas, then Chief Factor of Hudson's Bay Company in British Columbia, to Joseph McKay, a Factor of the Company, to proceed to Nanaimo (Nanaimo) Bay and to take possession "of the coal beds lately discovered there for and in behalf of the Hudson's Bay Company," and to levy a royalty on all coal mined there by any one. This is the first authentic record of the commercial production of coal in this area.

