

Fort Victoria
24th August 1852

Mr Joseph McKay

Sir,

1
You will proceed with all possible diligence to Wenthurysen Inlet commonly known as Kanyon Bay and formally take possession of the Coal Beds lately discovered there for and in behalf of the Hudsons Bay Company.

2
You will give due notice of that proceeding to the Masters of all vessels arriving there, and you will forbid all persons to work the Coal either directly by means of their own labour or indirectly through Indians or other parties employed for that purpose, except under the authority of a license from the Hudsons Bay Company.

3

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 those 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.