

on scientific principles, with all the appliances of machinery, will prove remunerative.

I took Mr. Howe, the Provincial Secretary, with me, and went carefully over the claims which had already been opened, and before leaving, we decided to reduce the price of the claims from 10% to 5%. I, at the same time, authorized the immediate construction of a road to the harbour, to facilitate the carrying up of supplies to the diggings, as I fully anticipate that before many weeks, a very large number of persons will be attracted to the spot.

I am also taking steps to have the land in the neighbourhood surveyed, and also, as far as possible, to trace out the different lodes. This however is a matter of some difficulty, as the ground is extremely rough, and the quartz in many instances is covered by some feet of soil and boulder-stones. I propose returning there in about a month, when I shall hope to be able to speak more positively as to the probable extent of the deposit.

I impressed upon the miners the necessity, even for their own comfort, of maintaining law and order; and assured them of the determination of my Government to act fairly by them. So far I am happy to say, their conduct has been irreproachable, and a very good feeling seemed to prevail among them. There were, at the time of my leaving, over 100 men upon the ground; but many who had been there, after securing their claim, had returned home for the purpose of getting in their crops.

I have to acknowledge, with thanks, the receipt of two Blue Books on the subject of the Gold Mines in Australia and British Columbia.

I have, &c.
(signed) *Mulgrave.*
