

take care of which, therefore, he has no interest whatever. On your arrival here, last June, and after a careful examination into the state of the Mines and Works, it was thought for the interest of the Company, that this system should be changed, and the ore ground in future worked on tribute, by which the miner would be paid a certain rate per ton of ore actually produced, and his interest also, thus be made to concur with that of the Company. So soon then as existing contracts had expired, Tribute bargains was proposed.

The rates offered for the various stopes were based upon the estimates and reports previously rendered to the Company; and had those estimates been correct, were calculated to have yielded the miners higher wages for the same actual amount of work than they had previously obtained under the old system. These rates were, however, universally rejected as quite too low, and a considerable number of miners went away rather than "take" at those rates, thus affording us at the very outset satisfactory evidence. That in the opinion of the parties who had actually worked in the ground, (and were really best able to judge) the productiveness of the Lode was not such as it had been represented to the Company.

This circumstance both Captain Hodge and I were satisfied of, from the beginning, as you know from my Report, and which having been now proved beyond doubt, I am glad to see so candidly stated to the stockholders in the last quarterly Report of the Directors.

A few men, however, to whom we offered rates decidedly advantageous in our own opinion, were induced to remain. These, as we hoped, did well. Six of them who were engaged on the Halvans, or Waste-pile, did better than we expected, in consequence of more ore having been thrown aside than was apparent on the exterior of some of those Piles. This circumstance, and the promptitude with which the Tribute Ore was dressed, assayed and settled for, tended greatly to bring the new system into favour, and was therefore rather fortunate than otherwise.

We have now twenty tributers, who are working with much spirit and industry. The places or stopes where they are employed, you will find particularised on the sections, and are as follows :—