

so important a measure until we have acquired a more complete knowledge of the geological structure and auriferous deposits of the island, and have thereby ascertained, beyond the risk of future disappointment, the most eligible site for the establishment, both as respects the mining or purchase of gold, and the convenience of general trade, we think it advisable to defer establishing a post until we are in a position to give their due weight to all these considerations.

“ In reference to that measure, I may remark that the shores of the sea coast about and in Mitchell's Harbour, according to Captain M'Neill's report, consist of lofty precipitous rocks, rising from the water's edge, and offer no practicable site for a trading post. According to the same authority provisions are scarce, there being no deer in the country, and but scanty supplies of fish; the only kind of food we could depend on procuring in any quantities, being potatoes from the natives inhabiting Cartwright's Sound, so that nearly all the provisions for the establishment will have to be imported. Chief Factor Work concurs in opinion with the report just quoted, as to the ineligibility of the ground about Mitchell's Harbour for an establishment, and the scarcity of provisions in the country generally, and moreover adds that the west coast of the island, throughout its whole extent, is very rugged and mountainous, as well as the east coast from Cape St. James to Cartwright's Sound, from whence to Point Rose and the north shore to North Island, the country is level, with a good quality of soil, consisting of black vegetable mould overlaying a fine loamy sub-soil. There is no clear land in the island, the whole surface being covered with pine timber of large size.

“ Good harbours have been discovered on both sides of the island, and there are many bays and inlets which have not been examined.

“ From these accounts the east coast, north of Cartwright's Sound, appears the most eligible for a trading post, so far as regards the country, soil, and climate; but on that side it would be inconveniently distant from the only known gold district, and therefore highly objectionable; but should gold hereafter be discovered in equal abundance on the east side, as is even now reported to be the case, though in doubtful authority, the advantages would be greatly in favour of that part of the island.

“ In the meantime, until these points are cleared up, we propose, as before stated, to employ the “ Recovery ” in protecting the parties at the mines, and attending to the trade of Queen Charlotte's Island. For that service she will be quite as efficient as a post on shore, and in some respects, as being a movable establishment, more convenient, to say nothing of the advantage of having all hands disposable for mining, instead of employing them in building.”

Mr. Douglas also mentions that the “ Exact ” had returned from Queen Charlotte's Island, having being driven off by the natives from Mitchell's Harbour, and the 32 people in her came away empty handed.

Mr. Douglas writes on the 18th April 1852, that the American brig “ Damanscove ” had arrived at Victoria, having been beaten off Queen Charlotte's Island by the natives, whose daring and power they represent as being very great. Mr. Douglas observes, “ In our case we trust for success as much to tact and management as to physical force, which is necessary for its imposing effect, but should never be used in establishing friendly relations with Indians, except in self-defence.”

On the 12th July 1852, Mr. Douglas mentions the receipt of letters from Mr. Kennedy to the 21st June. He had found gold, but in such small quantities as not to pay for working. The officers and men were all dispirited at the want of success, and the “ Recovery ” was in sole occupation of the island, all the American vessels having gone off in disgust.

Under date 23d August 1852, Mr. Douglas reports the arrival of Mr. Kennedy at Victoria, who reported that the expedition had been very unproductive; they had found no gold anywhere, but at the rock at Mitchell's Harbour, which vein he soon exhausted. He then commenced exploring on the coast, and in the interior of the island, but made no remunerative discovery. Traces of gold were found in several of the quartz veins, but on blasting the rock they disappeared.

Operations were then resumed in Mitchell's Harbour, but without success. Douglas Harbour was examined with a like result, and the men became dispirited, and Mr. Kennedy determined to come away. The total loss to the