into Victoria bay, is a stream some fifteen miles in length, and has several tributaries, the largest of which takes its head near Big Megantic mountain. Along the Victoria river a considerable number of prospecting licences have been lately taken out; the licence holders evidently considering that the discovery of gold in the rock of the neighbouring hills is a favourable indication of the occurrence of placer deposits in the valleys.

The only other stream of importance emptying into Lake Megantic is the Arnold river, which enters at the head or extreme south end of the lake after a course of fifteen or twenty miles near and parallel to the watershed which forms the boundary line between the province of Quebec and the United States. The mouth of the Arnold is only six miles from the boundary of the State of Maine, and its source is near the headwaters of the Kennebec river, in that State. It has received its name from having formed part of the route followed by General Arnold and his army in the desperate invasion of Canada by way of the Kennebec and Chaudière, to Quebec, in the late autumn of 1775. Several small deposits of copper are reported from the vicinity of this river in the township of Woburn.

The country along the boundary line, and for some distance north of it, is generally wooded. Small farms were opened on the west side of Lake Megantic, forty years ago, and many parts of the district are now cleared. There are, however, considerable areas of spruce forest still remaining, but they are being rapidly reduced by the lumbermen.

GEOLOGY.

The areal geology of this district has been discussed by Dr. R. W. Ells, of the Geological Survey, in the Annual Report for 1886. The map accompanying that report shows the district to the north-west of Victoria bay—including the locality of the recently discovered gold, and the valley of the Victoria river—to be occupied by sedimentary schists, and slates of Cambro-Silurian. They are dark or iron grey, fine grained sediments, with a good slaty cleavage. As their colour would indicate, they contain small amounts of iron ore, and are somewhat micaceous.