8. In addition to the permanent stations already established along the coast, a project, I am informed, is now under contemplation by an association in Victoria to carry on operations by means of a moveable establishment. The plan, so far as explained to me, is that large scows are to be employed, on board of which the various curing processes are to be carried on. In conjunction with these a steam tow-boat is to be employed, with the aid of which the most advantageous points of operation can from time to time be reached. What the practical success of this novel undertaking, if carried into effect, may be, it would be rash to anticipate; but it may at least be said that, as shown in my last year's report, the peculiar conformation of the provincial coast line presents every facility for locomotion.

9. The oil station of the Skidegate Company, referred to by me last year as having been then recently established on Queen Charlotte Island, has been moderately successful and is apparently remunerative. The oil prepared by this company being of perfect clearness and well refined, is in demand both as a lubricator and for lighting purposes. Of the crude dog-fish oil, prepared on a small scale at various points by the numerous white and native fishermen, large quantities are consumed locally,

and especially at the logging-camps.

At these last the employment of oil to lubricate the ways is indispensable, in order to enable the teams to drag the gigantic timber to the water for rafting.

Beyond the local demand the surplus is shipped to London.

10. In paragraph 2 of this report I adverted casually to the fur-seal trade of this coast; a branch of industry which is constantly acquiring increased importance, and merits fostering care. Failing the means of obtaining an absolutely correct return, the yield of the past season, as given by me, is to be regarded only as an approximation, and is, I have reason to believe, short of the true number. In addition to these upwards of six thousand skins were obtained by schooners from Neah Bay on the Washington Territory side of the Fuca Strait. In all, upwards of twenty thousand skins have probably been procured in the immediate neighborhood of Vancouver Island during the past season. As high as fourteen dellars per skin was paid in Victoria for some of these, and the average price appears to have been about twelve dollars; it is questionable, however, whether, under greatly augmented supply, these high values will continue unimpaired. On the subject of the fur-seal fishery I had the honor to address the Department on the 23rd August and 19th November last, suggesting the adoption of certain measures for the future regulation of the traffic. To the substance of these suggestions I respectfully direct your attention.

11. The banks resorted to by the fur-seals extend along the west coast of Vancouver Island at a varying distance, and with irregular soundings, both so far not accurately determined. For the following approximate description I am indebted to Captain Devereux, commanding the Dominion Steamer "Sir James Douglas," being

the result, chiefly, of his own transient observations:-

"In latitude 48° 10' N., and longitude 125° 35' W., thirty-five miles south-west of Cape Flattery, soundings can be obtained on the bank at from 80 to 90 fathoms (sand, gravel, &c.) shoaling to the eastward to 60 fathoms, and again deepening to 140 and 100 fathoms ten miles off shore at the Cape. This deep-water channel rounds the Cape and continues its course in the middle of the Strait up to Race Rocks. From Port San Juan westward to Cape Beale the soundings vary from 18 fathoms along shore to 30, 40 and 50 fathoms ten or twelve miles off the land.

"South of Cape Beale the soundings extend to a distance of forty miles, varying from 16 to 90 fathoms (sand, gravel, stones and mud), and west of the Cape there is an immense bank extending to a distance of fifty-six miles, with much the same character of bottom (and quite likely many shallower patches known to the Indians where they fish for halibut, as it is rumored there is a bank with only 13 fathoms of water upon it). Along the edge of this bank the Barclay Sound Indians catch the

fur-seal in the early part of the summer.

"Off Clayoquot and Nootka Sound the bank trends a little more northward, and is but twenty-five miles off shore at these points; and from thence to the N.W. triangle, Cape Scott Islands, along the west shore of Vancouver Island, the soundings