

worked out, the prosperity of this gold field will more and more depend upon sluicing operations on a large scale, for which large races or reservoirs will be required. This is well illustrated by the results which have taken place at the Greenstone.

In speaking of the different localities comprised in my district, most of the remarks I made in my last report will still apply and need not be recapitulated, but where anything fresh has occurred it will be noted below.

1.—*Greymouth and South Beach.*

Most of the water-wheel claims on the beach have been abandoned and the machinery removed, there being now only four wheels at work. A few claims are still being worked on the Stoney Lead, with very good results, and three or four parties are at work on ground within the portion lately excluded from the Borough of Greymouth. Two parties are at work on the Old Lagoon Lead, bringing up tail races in order to work the ground right before them, and put everything through; one of them has applied for a special claim. The Paroa Lead appears to be all but abandoned.

2.—*Rutherglen, Welchman's, and Limestone.*

Population about 130. Nothing fresh to report, except that the New River Race Company, mentioned in my last, are proceeding with the work, and have about three-quarters of a mile completed. When finished, the race can hardly fail to give a great impetus to mining in this locality. The road from Greymouth to Ross, if it is taken by the Omotumotu Saddle, will materially assist in developing its resources.

3.—*New River.*

Population about 750. If German Gully be included under this head, to which it naturally belongs, although it has hitherto been comprised in the Arnold District, the population has somewhat increased.

Italian's, Ryley's, and German have all suffered severely from the dry weather at the beginning of the year. Taking the district altogether, very little water supply has been secured; but as several good sized races are under way, the next half-year may show an improvement in this respect.

As a set-off against the loss occasioned to the miners by the drought, the cost of provisions has been greatly reduced through the keen competition of storekeepers, most ordinary articles of food and clothing being obtainable at Marsden and Clifton, at Greymouth retail prices; and meat has been actually cheaper, even in the more distant gullies, than in the butcher's shops in Greymouth. It can hardly be expected that this state of things can be permanent.

In German Gully the rush to Soldier's Terrace turned out fairly successful. A good lead was found high up on the flank of the range, and traced to Liverpool's in one direction and German Gully in the other. These gullies cut it in two, and it has not yet been found beyond them, though there is no visible reason why it should not continue on in both directions. It supports at present about 200 men, whose greatest drawback is the scarcity of water.

The discovery of this lead suggests the natural inference that there are probably many more similar leads scattered about in the spurs and ridges of this rough piece of country, and hitherto concealed owing to the difficulties of prospecting.

4.—*Arnold.*

The steady prosperity of this portion of the Grey District still continues, though it also suffered severely from the drought. It depends entirely upon frequent rain, and a week's dry weather leaves most of the hands idle. It is very unfortunate that the difficulties in the way of procuring a large and constant supply of water are so great, as nowhere would it pay better. Pryor and party's undertaking has, after something like two (2) years' labour in taking in a tunnel 3,500 feet long, turned out unsuccessful, the original prospect on which they built their hopes having proved only a patch. The outlying creeks and gullies still support about the same (if anything, a somewhat increased) population.

5.—*Greenstone.*

The main operations of this locality consist, as before, of sluicing, for which increased facilities are now given by the Hohonu Company having increased their supply of water from twenty to forty heads, by the completion of their large dam. Into this is turned the night water, most of which used formerly run to waste. The whole of the water lets readily, and the consequence is, an increased population and activity on "Duke's Terrace." The mass of tailings is now so great as to be treading close on the heels of the township.

The population in other portions of the Greenstone District remains about the same. Attention has lately been directed to the high terrace on the south side of the road to the junction, which it is believed would pay for sluicing if water were brought on to it.

ROADS, TRACKS, AND BRIDGES.

No works of this nature have been constructed during the half-year, with the exception of about 20 chains at the New River crossings, and a line cleared for a horse track by Mr. Montgomery, from Omotumotu Creek to the Coal Mines: the latter, not being metalled, is now impassable. A road line has been laid out, with good gradients, from Maori Gully to Italian's, and tenders were called for, but none eligible were sent in, owing probably to one of the conditions imposed being that the whole of the payment should be in land. If it had been half cash and the remainder in land, I believe no difficulty would have been found in letting the work.

Required.—On the supposition that the road from Pounamou to Greymouth will be made by the General Government, and that the route adopted will be *via* Marsden and the Omotumotu Saddle, in the limestone range, I shall confine my remarks to the subsidiary roads which are required to open up the district.

Dray Road.—The only dray road I should recommend is the continuation of the Arnold Road to Greymouth. This is not only necessary for the full development of up-country trade and resources,