

was a rush of applicants to the Waste Lands Board for leases adjoining the prospectors', and there is at present a large tract of country taken up (subject to approval by his Honor the Superintendent), in leases varying in size from 250 to 500 acres. Owing to the almost inaccessible country in which the mine is situated, the placing of proper machinery on the ground will take some little time. If the working of the mine ranges at all near the result of the test already given, it will not only confer a benefit on the district, but the colony at large. Since this discovery the attention of the miners has been turned particularly to prospecting for the galena ore, and within the last few days fresh discoveries of it have been made up the Totara, and applications from the prospectors and several other parties for leases are in. It is matter for congratulation that in the temporary decline of our gold export another precious metal is to reward the industry and perseverance of our miners, who are certain to make vigorous efforts to develop this new resource in their district.

The Greenland Water Race, which has been in course of construction for over three years, is now in. The company have got a mining lease of ten acres at the head of German's Gully, and opened out a claim, where they intend to use all the water themselves. From the prospects they have got, there is every likelihood of the company being well recouped for their outlay. They are now extending the race at the head to increase their water supply. This race has been brought in at a high altitude, and commands auriferous ground which could not be worked with the previous water supply. The fact of this company of practical working miners spending their all in the bringing in of this race, with the hope of profit which is now an almost certainty, shows that in this district larger water races would pay beyond a doubt.

At Bowen, where a party held one of the best claims in the district, they were obliged to cease work owing to an insufficiency of drainage machinery, and want of capital to procure more powerful. At the end of last year they offered their claim to the public on terms which were at once accepted. A company was formed, and the shares were readily disposed of. The area of the claim was increased to twenty acres. They have also erected a large water-wheel, and constructed a race about two miles in length, carrying an unfailing supply of water from the Mikonui River for motive power. The claim is expected to be in full operation in the course of about a month, giving employment to a large number of men. From the richness of the past yield, under difficulties, good returns may be looked for. Should this company succeed, others, no doubt, will be started to work the adjoining ground, which has been proved equally rich.

Of the Totara diggings there is nothing new to report. The same may be said of Aylmer lead and the workings in the vicinity.

At Bowen, with the exception of the new company, things are as usual.

On Jones's Flat, all the claims mentioned in my last report were profitably at work till the 9th of last month, when the most disastrous flood that ever visited the district occurred. The rising of Jones' Creek, through the sudden downpour, brought down fallen timber, snags and *débris*, causing a chokeage in the storm channel at the rear of Aylmer Street. The course of the flood was thereby turned into the main street through the adjoining houses, completely gutting some of them, and entailing great loss to many of the owners. At the same time the breastwork at the entrance of the creek to the storm channel gave way, bringing with it a large body of water and tailings into the paddock of the Scotia Claim (one of the largest on the flat), and filling it to the surface, thus destroying the labour of two years. Had the full force of the flood not been lessened at this point, the greater part of the property in the main street would have been swept away. To make matters worse for the owners of the Scotia Claim, they had just finished a large waterwheel at a cost of £600, which must now be idle for the next six months while they are clearing the paddock again. All the other claims on the flat have suffered more or less. The Totara and Jones's Creek Water Race was also much damaged, the ditch having been swept away at almost every gully throughout its course, as well as suffering in other parts by land slips. The company employed from forty to fifty men daily for a period of three weeks in repairing the damages. During this time nearly every claim was necessarily idle for want of water.

The township of Donoghues was almost devastated at the same time. The storm channel there burst away from a similar cause. It levelled the fences in all directions, and left such a depth of tailings and gravel on many of the gardens and paddocks as to render the ground valueless. All the claims were swamped out. The large drainage wheel has been hard at work since, and yet the water is not pumped out.

So long as the district is dependent on one comparatively small race for its supply, such losses and consequent stagnation are liable to occur at any time, and must necessarily discourage mining enterprise, and affords an additional plea for the pushing ahead of the Mikonui Water Race.

There are many small workings throughout the district which I have not particularly mentioned, where a considerable number of men manage, I believe, to make a fair living. There have been few departures during the past year, notwithstanding the depression.

The amount of gold forwarded from Ross to Hokitika during the year has been 9,370 oz. 5 dwts., which, at £3 16s. per ounce, is £35,606 19s.

Gold Fields Revenue	...	...	...	...	...	£633	6	0
Warden's Court Fees and Fines	...	...	...	...	...	37	12	0
Resident Magistrate's Court Fees and Fines	...	...	...	...	...	150	0	0
Export Duty on Gold	...	...	...	...	...	937	0	0
Total	...	...	...	...	...	£1,757	18	0

The population may be estimated as follows:—

Europeans—Male	...	...	...	...	1,0
" Female	...	...	...	...	6
Chinese	...	...	...	...
Total	...	...	...	...	1,630