

ground-slucing. There has been considerable interest taken in a similar formation to the Blue Spur, at Old Waitahuna Gully. One claim has opened out upon excellent prospects, and will no doubt prove a valuable one to the proprietors. This has led to extensive prospecting in adjacent but deeper ground. One shaft has been sunk to a depth of 230 feet, bottoming upon a shelving reef. Satisfactory prospects were obtained during the progress of sinking, but not so on the bed rock. Another prospecting shaft is now down 200 feet, and it is anticipated that a further depth of 100 feet will have to be attained before the bottom is reached. Gold is found in this formation in several strata, and at varying depths, and it is questioned whether it could not, with the present rate of wages, be made to pay with suitable appliances.

The Waipori division of the district suffered considerably by the heavy floods in February last. The Government sludge channel was irretrievably destroyed, and, although the earnings of those working within its limits were small, the sudden complete destruction of the claims of seventy men caused for a time no small hardship. With this exception, I consider the Waipori miners as successful as any in the colony.

At the old Woolshed Diggings some highly auriferous land, alienated from the Crown before the proclamation of the gold field, has been worked for some time past by both European and Chinese miners, and with very satisfactory results to both miner and landowner.

Quartz Mining.—This branch of mining, with the exception of a few old claims, may be considered as little advanced beyond prospecting. The Nil Desperandum Claim, at Waipori, has yielded some very rich specimens, but the reef proved patchy, and on the whole gave only a fair return. The Canada Reef Company, at Table Hill, is steadily and economically worked, and is reported to be doing more than paying its way. Two new reefs, one at Table Hill and the other in the Lammerlaw Ranges, have been discovered during the past year; good specimens have been obtained, and hopes are entertained that they will prove remunerative. I feel no doubt that this branch of mining will assume much larger proportions in the future than it has hitherto done.

Population.—I estimate the number of miners in the district to be—Europeans, 450; Chinese, 450; making a total of 900. This shows an increase over last year in the number of European miners, represented by men who have returned from employment on public works, and in some degree by men new to gold-digging. The number of Chinese miners has decreased, owing to emigration to the West Coast and Queensland. Upon analysis of the revenue for the past year, I find that on an average only one out of every five Chinese miners has taken out a miner's right: this is owing to there being no Chinese interpreter in the district. When one was stationed here it was his duty to keep a register of the Chinese mining in the district, and to prosecute those mining without the proper authority. The loss to the revenue in this way has been fully twice the cost of an interpreter.

Land and Settlement.—Farming has made such rapid strides that there are now more persons in the district dependent upon growing crops and cattle-feeding than upon gold mining, and nearly all the available land has been taken up for occupation. The following will show the transactions in land for the past year:—

| | No. | A. | R. | P. |
|--|-----|--------|----|----|
| Agricultural Leases granted during year | 35 | 4,210 | 1 | 39 |
| Agricultural Leases expired | 3 | 93 | 2 | 23 |
| Agricultural Leases cancelled | 1 | 138 | 2 | 10 |
| Agricultural Leases exchanged | 4 | 122 | 0 | 28 |
| Agricultural Leases purchased | 33 | 2,352 | 2 | 23 |
| Agricultural Leases in force on 31st March, 1877 | 338 | 30,646 | 2 | 34 |
| Exchange Leases | 117 | 5,021 | 0 | 23 |
| Occupation Licenses and Certificates | 127 | 20,118 | 2 | 8 |

The total area now held under leases and licenses is 55,788 acres 1 rood 25 poles, the annual rental being £7,351 4s. 6d.

In addition to these holdings, about 135,000 acres of land within the gold field is freehold. The past year has been a very favourable one for both farming and grazing in this district, and the completion of the railway between Dunedin and Lawrence, which is now an accomplished fact, insures a steady market for stock and produce within easy access at all times.

Revenue.—The amount of revenue collected for the year which ended on the 31st March last was £9,898 17s. 4d., made up as follows:—

| | £ | s. | d. |
|--|-------|----|----|
| Rents from Agricultural and Deferred-payment Leases and Licenses | 7,686 | 3 | 8 |
| Rents from Depasturing Licenses | 633 | 5 | 7 |
| Rents from Mining Leases | 253 | 15 | 4 |
| Other Gold Fields Revenue | 923 | 13 | 10 |
| Fees and Fines in Resident Magistrate's Court | 401 | 18 | 11 |

The number of cases and applications dealt with was as follows:—

| RESIDENT MAGISTRATE'S COURT. | | | |
|------------------------------|-----|-----|-----|
| Criminal Cases | ... | ... | 140 |
| Civil Cases | ... | ... | 291 |
| Total | ... | ... | 431 |
| WARDEN'S COURT. | | | |
| Cases | ... | ... | 35 |
| Applications | ... | ... | 302 |
| Total | ... | ... | 337 |

I have, &c.,
E. H. CAREW,
Warden.

The Under Secretary for Gold Fields, Wellington.