

The only tramway of any note constructed during the past season has been that of the Homeward-Bound Company; it is self-acting, worked by drums, and $\frac{3}{4}$ -inch steel-wire rope. It is 22 chains in length, with a gradient of 1 foot in 3 feet, and cost about £20 per chain in labour and material.

A good deal of criticism has from time to time appeared in the public papers animadverting on the mismanagement, want of management, or excessive management, of the various companies, how true I am not prepared to say, but some unfortunate hitch appears to be inseparable from the initiation of mining industry in a new direction generally. I am of opinion that the real cause will be found in the small inducements offered to experienced overlookers and competent men as managers, the pay at the reefs being about one-half the salary accorded to efficient overlookers in the neighbouring colonies. Let the companies obtain good leaders at whatever cost, and the state of muddle said to exist will soon pass away, and the Macetown mines take that position in the mining world to which they are pre-eminently entitled, from all present appearances.

In the Cardrona Valley and adjacent gullies the European population numbers about 156, all told, classified thus: Male adults, 63; female adults (of whom 22 are married), 23; total, 86. Children, 70. Grand total, 156. Of the first-named, 35 are mining; the remainder are engaged in storekeeping, farming, dairying, and as labourers. Of Chinese there are about 85, 80 of whom are mining, the remainder trading.

The shock given to the mining interest by the floods of September and October last was so great as to cause, even at this distant date, a great diminution in the gold yield. The weekly yield for the past three months will be from 30 oz. to 40 oz. This decreased yield is due, in a slight measure, to the withdrawal from mining since the flood-period of several of our miners to repair roads and tracks.

Pembroke, situate on the shores of Lake Wanaka (the Loch Lomond of Otago) is slowly but surely gaining in population and importance; its position, geographically and in connection with the fertile lands and splendid forests of the Wanaka Valley, is such as to insure its steady and enduring progress. Thanks to the educational authorities of the day, a public school is now being added to the institutions of this healthy and picturesque locality.

Upper Shotover.—Mining in this portion of my district has been very dull during the past twelve months. The causes are—first, the great floods we had in the spring, destroying water-races, and river and creek claims. Some of the water-races have not been repaired since; also a number of miners were taken to repair damage done to the roads by the floods, and are now still employed on the roads. Alluvial mining is very low, a bare living in most cases; some of the ground left will never be worked profitably without expensive appliances and capital expended in the shape of rock tunnels. Miners who have been fortunate enough to make a little money betake themselves to farming instead of risking their capital in hazardous speculations. This leaves men on the gold fields who have no money, and who are the least energetic and the most improvident of their class. Chinamen are scarce in this district; they clean out all the easy gold, and leave prospecting to Europeans. I think there is a bright future in quartz-mining: the whole of the range between the Shotover and Arrow Rivers is intersected with reefs, and prospectors from the Macetown side are gradually pushing their operations from the line of reefs at work to the crown of the range, so that another year will hardly go over before the Shotover side of the same range will get a trial.

Wages on the reefs (Skipper's Creek): Good miners, £3; road labourers, £2 14s. to £2 8s. Provisions: Meat, 6d. per lb.; bread, 1s. 3d. the 4 lb. loaf; flour, 19s. per 100 lb.; coffee, 2s. per lb.; tea, 3s. 6d. per lb.; tinned fish, 1s. 3d.; packing, 12s. a horse load of 200 lb. from Queenstown or Arrowtown.

The Skipper's Creek Reefs.—Phoenix Company: In the past year 400 feet of new ground have been opened, consisting of drivings on lode 200 feet, sinking on lode 60 feet, cross-cuts 140 feet. Crashings in March and June, 364 oz. There have been no returns since, in consequence of damage done by floods. The present prospects of this company are of a profitable character, and, with the late improvements in some parts of the machinery, crushing will be continued through the summer. Population at present in Skipper's Creek: Employed in quartz-mining, 24; alluvial, 4; women and children, 17: total, 45.

Arrow Valley.—This portion of my district, once one of the busiest and most productive of mineral wealth, is now comparatively speaking almost deserted. The river workings are not of any great permanence—merely cleaning up tail-races, scooped out by the natural action of streams. The terraces abutting on the river and its tributaries are not extensive nor numerous, but those worked have proved highly payable. Many of the terraces yet remain untouched, owing to the absence of timber and water-power, and not a little to a prejudice entertained by miners generally against too great altitudes; they will be allowed to remain in their unproductive state perhaps for some years to come. Though the days when miners flung about their earnings with proverbial lavishness are gone, there are still some who compute their washings by pounds weight. There are a few miners left in the once famed Bracken's Gully, who are making fair wages. In New Chum Gully and Hayes' Creek, near Arrow Falls, some very good patches are unearthed from time to time. The Eight-Mile Creek is giving employment to several parties, tunnelling as well as sluicing. There is a large extent of ground, which would pay very fair wages in the neighbourhood of this creek if water were brought in to bear upon it: these are spots which will prove useful when wages and provisions are lower, through railways and increased population.

Kingston.—Since my last report the railway has been completed to Kingston, and a splendid iron steamer, built by Kincaid, McQueen, and Co., of Dunedin, in about four months, launched into Lake Wakatipu. She is essentially a passenger steamer, fitted with newest improvements in engines and gear, and does great credit to the designers. With a speed of thirteen knots, she fulfils all the requirements of the travelling public, who can proceed from Invercargill to Queenstown (a distance of about 120 miles) in nine hours.

WAKATIPU RUNS.

The sheep-farmers have suffered more than any other class in my district this year. In this mountainous country, they generally anticipate greater losses through snow-storms, cold, and that great enemy to the sheep, the kiwi (which is a terrible pest), than those runholders living in flat country; but the losses have been unprecedented, and very terrible. Out of 140,000 sheep, on thirty-