

Settlement is progressing very favourably in this district, and the increased price of cereals will greatly benefit the agricultural settlers here. The Arrow flats—the level country between the Arrow River and Queenstown—have again yielded a wonderful average crop of wheat, the principal grain grown. On the whole I believe the district has had a prosperous year generally.

MOUNT IDA DIVISION.

Naseby.—No noticeable improvement in mining matters generally has taken place in this neighbourhood. One new venture requires mention, and that is an attempt to test the low-lying deposits of the main gully here, which has to a certain depth and in former years yielded such a vast amount of gold. The Mount Ida Deep-lead Prospecting Association, who have undertaken this work, have commenced sinking a shaft; it is to be 150 feet, and a contract has been let to carry out the work. This is a matter of general public importance. The undertaking is an expensive one, timber being unknown in the neighbourhood, and will have to be procured from a distance.

St. Bathans.—No new discoveries have been made. A number of claims are at a standstill awaiting a main tail-race being constructed. This work is in the hands of the St. Bathans Channel Company. Some of the sluicing claims here are held under gold-mining leases, and all are worked by the hydraulic process, the pipes for which are manufactured on the spot. When the preliminary works, *i.e.*, the tail-race cut and the head-race brought on to the ground, the work generally can be managed by two men and often by one, who directs the water. The conditions of a gold-mining lease give as a minimum of the men to be employed one man to two acres. This has been represented to me, and I think fairly as a hardship. The profits of these claims are small and labour dear, and I think that on representation the Governor might be advised (if possible) to modify this regulation in cases of gold-mining leases of ground worked by this method. At Vinegar Hill some claims have washed up lately with good results, and I believe this portion of the district to be in good circumstances, and if not making any startling progress to be at any rate holding its own.

Kyeburn.—No marked change, but I think mining is proceeding very fairly. Two claims changed hands during the year at £750 and £600 respectively. The yield of gold has fallen off, being roughly 15,000 oz. against 20,000 oz. This may be attributable to a certain degree to the falling off of the water supply, in a measure owing to the last mild Winter.

The Government water-race, under the management of the Mount Ida Water-race Trust, has continued to be of great service to the district, and the miners have largely availed themselves of it.

Referring again to the deep-lead prospecting undertaking at Naseby, I have omitted to say, to show the interest taken in this work, that the company is subsidised by both the Municipal Council of Naseby Borough and by the county. In the early days, when the main gully was first worked, the gold was obtained off what is known to miners as the Maori bottom, not off the bed-rock. At a point about two miles up the gully heavy gold was found on the proper bottom, the rock, which suddenly dipped, and the lead was not followed. The present shaft is down about 100 of the 150 feet, but whether the present contract will reach bottom is a matter of conjecture. If the venture be successful, it will give an impetus to mining in the vicinity.

In the accompanying returns a noticeable increase of cases in the Warden's Court will be found. Courts have been held at Queenstown, Arrowtown, Cromwell, Clyde, Alexandra, Roxburgh, Black's, St. Bathans, and Naseby. At the three first-mentioned places and at Naseby the Courts have been fortnightly, or two sittings during the week of my visit to that particular locality; in other places monthly. No public inconvenience has been felt or expressed on this score; but the incessant travelling, amounting to between 400 to 500 miles monthly, leaves me too little time to devote to my accumulated correspondence at Clyde; and, apart from that, the physical exertion and the exposure—keeping, as I have, my appointments regardless of weather—is too much for even a strong constitution and experience in travel to continue for any length of time.

I have, &c,
JACKSON KEDDELL,
Warden.

The Under-Secretary for Gold Fields, Wellington.

No. 16.

Mr. Warden WOOD to the UNDER-SECRETARY for GOLD FIELDS.

SIR,—

Lawrence, 12th May, 1882.

I have the honor to forward herewith the annual statistical returns for the Tuapeka and Waikaia Subdivisions of the Otago Gold Fields.

The mining interest in the Tuapeka Subdivision is not in quite so flourishing a state as last year, partly owing to the temporary stoppage of work by three of the large companies at the Blue Spur and the cement workings not having progressed as was anticipated. The Blue Spur has been re-surveyed during the last year, and there are now ten leaseholders occupying an area of 34 acres, and employing one hundred men and four batteries of stamps, equal to seventy-eight stamp heads. Three of these companies employ twenty-five men each. I hope, however, to see the companies which have ceased working resume operations in a few weeks, either on tribute or on their own account, which will be the means of finding employment for some fifty men during the winter.

Wetherstones.—At this place not much is doing in mining; the cement claims taken up some time ago did not realize as expected, and, with the exception of the Wetherstones Cement Company, which employs about thirty men, are not paying dividends. This company has purchased the interest of some of the adjoining companies, and, with the large area now held by them and improved machinery, ought to pay handsome dividends for very many years to come, and give employment to at least fifty men.

Waitahuna.—The cement workings at this place are in a languishing condition—in fact almost an industry of the past; the few Europeans there are all making small but steady wages, and the Chinese seem contented with their returns. At Glenore (Woolshed) the same remarks apply.