

*Kumara.*

This sub-district presents no new feature requiring particular comment. Work has been steadily continued except when want of water has compelled its cessation; and the general prosperity of the place has been fully up to or above the average of alluvial goldfields in the colony.

The construction of the No. 2 or relief-channel to the main tail-race, known as the sludge-channel, is progressing, and the work, when completed, will doubtless prove of sensible advantage to the claims which have so long been overcrowding the main channel with their tailings. It is worthy of notice, however, that, whatever the deficiencies of the channel may be, there has been of late none of that public agitation on the subject which used to be so incessant. The miners have probably discovered that agitation will not alter the physical laws of gravitation and hydrostatics, and have found out some tolerable mode of making the best of the existing state of things.

I learn from the newspapers that the Government is making proposals to the local bodies that they should take over the management of the water-races and channels of the district. This course, so far as regards the Kumara Sludge-channel, was recommended by Mr. Gordon and myself some time ago; and I am glad to see it revived, and hope the proposal may have effect. I think it right to say here that another reason in favour of the transfer of such property to other hands is to be found in the liability of the Government to actions for damages, and the difficulty of finding an impartial tribunal in assessors selected from the locality, who are apt to hold the balance not very evenly between their own friends and acquaintances and the public treasury. An instance of this occurred last October, when an action for damages was brought in the Warden's Court at Kumara by Sellars and party against the Government. The complainants had, in my opinion, no case in law against the Government, or, at least, only a case for the value of a few boxes damaged; yet the assessors, in face of the ruling of the Court, found a verdict for £264 damages—a decision which had neither law nor justice in its favour. I am sorry to have to refer to this subject, but I feel it to be a duty, in making a general report of this kind, to make a plain and deliberate statement on the subject.

*Waiuea.*

The diggings about Goldsborough present no marked change of any kind, and demand no special mention. In my last report I mentioned a falling-off in the Court and office business at Stafford. This was partly caused by dry weather; but the business still remains small, so far as the number of cases and applications is concerned. But with regard to the magnitude and importance of the mining operations in this sub-district there is marked improvement, and indication of still better prospects in the near future.

The Kelly's Terrace Company, after bringing up their drainage-tunnel to their claim, have struck, immediately within their boundary, highly-payable wash, adjoining and 3ft. below the tunnel. The mining-manager states that a load and a half of wash-dirt gave 17½dwt. of gold. This lead is considered to be quite distinct from those which were before known or believed to exist on Kelly's Terrace; and it is the intention of the company to continue driving so as to intercept and examine the different layers. For the present, however, these operations are suspended by reason of the collapse of a portion of the tunnel, which makes a deviation necessary before work can be resumed.

Adjoining and below the Kelly's Terrace claim, a special claim of twenty-eight acres has been granted to Murphy and party, who have erected a large water-wheel, and intend to work the ground on an open face with a turbine and winding-gear. They are sanguine of getting good results in this ground, which has been practically abandoned for years.

The ventures above described hold out a good prospect of a considerable expansion of digging operations in this old district, to which it would be rash at present to assign a limit.

*Hokitika.*

The Humphrey's Gully Company is now fairly at work, and the results obtained would, I suppose, be thought very good for any claim upon which no such very heavy expenditure has been incurred as has been the case in the present instance to get the claim into working order. The works constructed by this company are all of the most solid and durable character, and the company's engineer believes that little or no repairs to them will be required for the next ten years. In order to make all these works and the plant of the company fully available, and to get the utmost profit out of the large expenditure already incurred, it will be necessary to extend the race so as to tap new sources of water-supply, and to have more faces simultaneously undergoing sluicing operations. As these works are gradually completed, there is good reason to hope that the profits of the company will bear an increasing proportion to the expenditure, and that this important claim, which, from the solidity of its works and the magnitude of its operations, is already an object of admiration to visitors, will in the future adequately repay the enterprise and outlay which the shareholders have bestowed upon it. The attention of the engineer has been directed to the loss of fine gold which is apt to occur in sluicing upon so large a scale, and he has devised means of obviating this loss which appear to have been to a great extent successful.