

HOKITIKA.

Notwithstanding an exceptionally favourable year for hydraulic and ordinary sluicing operations the returns of gold from Westland show little, if any, increase on last year's production. New areas require to be brought under operation, but, as this means a large outlay of capital and a considerable length of time before gold can be won, special inducements must be held out to parties willing to invest capital in such ventures. The time required for the development of a mine, even when the money is all in hand, is exemplified by the Humphrey's Gully Hydraulic Company's operations. This company have now completed the working survey of their large head-race, and will at an early date be calling for tenders for the construction of same. The Back Creek and Kanieri Lake Race Company have been for some time negotiating with a London company to finance a scheme for bringing a large supply of water on to Back Creek and Seddon's Terraces. This is one of the most promising fields we have, but they can only be worked by a large expenditure of capital. A number of the claims on these terraces are at present yielding handsome returns to the miner for ordinary drifting operations; but, instead of drifting, if a plentiful supply of water was available, the whole terrace would be sluiced away. The non-proclamation of the river as a tailing-site has a tendency to frighten capitalists, as they are afraid they might be subject to suits for damages, &c.; but a careful examination of the position will show room for at least ten years' tailing before they would touch the river. However, this matter should engage the serious attention of the Government, seeing that the non or wholesale working of all that line of terraces abutting on the Hokitika River for a distance of eight or nine miles will either mar or make the prosperity of Hokitika. A successful beginning has been made on Lake Mahinapua with the Kanieri dredge, which is now on payable gold in the bed of the lake nearly opposite Shanghai Point, and have traced the gold to the outlet of the lake. They are now down 12 ft. and still on golden wash.

Very little prospecting is being done in this district, and what little there is is mostly in the neighbourhood of old workings. The discovery of a body of blue cement containing quartz pebbles on the south side of Lake Kanieri, and yielding 5 dwt. to the load, may be of some importance, but not having seen it I cannot say what it is worth. On examination I hope to be able to report favourably. In this district we have six offices where applications can be lodged and titles registered. A miner can lodge his application at any one of the six: his claim may be in one of the sub-districts, such as Okarito, and yet his application may be dealt with in Hokitika, or *vice versa*. All this has led to endless trouble and litigation. To remedy this and prevent confusion I have, with the consent of the department, subdivided my district into five divisions—viz., Kumara, Stafford, Hokitika, Ross, and Okarito—the boundaries of each being set out on the map now being prepared by the Survey Department. One of the said maps to be hung in each office for the information of the public. All applications and registrations will then be dealt with in their respective sub-districts and in no other, unless under special circumstances.

KUMARA SUB-DISTRICT.

This sub-district is fairly prosperous, the past year being favourable for sluicing operations, and in consequence of only a few stoppages in the water-supply satisfactory returns were in most cases obtained. To the north of the Teremakau, and on the Greenstone, the only change worth recording is the improvement in the races and dams of the Erin-go-Bragh Company. Owing to the improvements thus made this company now supplies a large number of claims along the Greenstone Road. O'Grady and party's special claim has been taken up by a Christchurch syndicate, and they are now busy with race- and dam-construction, preparatory to a more extensive way of working. First-class returns were obtained from this claim before it passed into the hands of the new company. It will be some time before the company will be in full work or in a position to prove the value of their property. Considerable improvements have been made in the methods of sluicing the ground worked during the year, but, notwithstanding this, several claims have been abandoned on account of non-payable results. Further prospecting has been done in the deep levels, and, although there are several claims now at work and paying small wages, no rich runs have been struck. On Kelly's Range a considerable amount of money has been spent in prospecting for quartz reefs by the Consolidated Gold-mining Company and others, but without discovering anything of value. Gold was found in several places, but nothing good enough, and there is now nothing doing on the range. On the Taipo a number of special claims and water-races were taken up in connection with an outcrop of serpentine. Gold of a payable character was said to have been found in this rock, which occurs here as a dyke formation. The tests made from the outcrop gave very good results, but samples taken at a greater depth did not show payable prospects, and it is just possible that the gold from the first tests may have been carried into the reef, as the Taipo, a gold-bearing river, crosses the outcrop. Anyhow, I understand work has been suspended, and the only special claims now at work are the hydraulic sluicing claims on the Seven-Mile. I believe at least one of them promises well, but results will not be known for some time. A good deal of money has been spent this last year in this block on surveys, rents, and prospecting with so far very meagre results.

WAIMEA AND STAFFORD SUB-DISTRICTS.

The miners in the above sub-districts appear to be fairly well satisfied with the results of their year's work. The water-supply for the year has been exceptionally good, not only those supplied by the Government race, but also the miners working in the back gullies and on the hills above the race level, and the supply being fairly constant the gold returns were in keeping therewith.

The special claim known as the Wheel of Fortune is reported to be on good gold. The owner is said to be in England trying to raise more capital to work it in a more wholesale manner. A short time ago Professor Black visited the ground and, I understand, reported favourably on the venture. Whether the flotation of the company is an accomplished fact or that negotiations are still pending I am unable to say.