

worked before. The sum of £6,000 is required to bring water in from the head of Moonlight Creek. An engineer has surveyed the line of race, and reports favourably upon it. Should there be a sufficiency of water a very large area of high-level sluicing-ground will be brought under the command of the water. A sluicing company—the Ara—is already in active operation in the creek. The prospects promised well, but so far no return has been made.

About half a dozen special claims have been taken up for dredging purposes. Three companies have been floated, and the dredge contracts are well under way.

*Healey's Gully and Montgomery Terrace.*

Mining is being successfully carried out here by means of hydraulic sluicing. The population has gradually increased during the last year or two from half a dozen to upwards of a hundred people. Water has been brought by costly water-races from the Roaring Meg and its tributaries. Several companies are at work, the more important being Montgomery Terrace, Roaring Meg, Republic, and Shrives and party.

*Nelson Creek and Callaghan's.*

In the former place the population has sensibly increased, owing, no doubt, to the timber industry and the introduction of dredging. Two dredges are at work—one the Nelson Creek—giving very satisfactory and even returns. The other—Pactolus—has already proved the payable nature of the ground, and good returns are expected shortly. Another dredge—the “Trafalgar”—is nearing completion, and is expected to show good dividends. Seven or eight other companies have been floated to work the creek, and the contracts in most instances have been let. A considerable number of sluicing claims are at work on the terrace, a fair supply of water being obtained from the creek.

In Callaghan's sluicing is being carried on, with varying success; but all are waiting for the local dredge to get to work on the creek, which cannot be worked by other means.

*Red Jack's.*

Here also sluicing is predominant. The Chinese have, for the most part, secured all the prior water-rights, and are said to be getting good returns. Dredging is present too, and one dredge is nearly completed. Two other companies are floated to work the creek and banks.

*No Town.*

Three dredging companies have been floated, and one dredge is in course of construction. Here, as in other sluicing localities, the want of water is a great drawback. Some time ago, however, a syndicate secured a right to fifty heads of water from Lake Hochstetter, and had a line of race surveyed. Nothing further has been heard by the local public of the project. The water, if brought in, would command a great extent of proven sluicing-ground, both here and in Red Jack's.

*Blackball.*

No new finds of gold have been made here during the last year, and the population remains almost stationary.

*Snowy Creek.*

Three special claims have been applied for, and a considerable amount of boring has been done. The population remains about the same. Prospecting, sluicing, and driving are the only modes of working employed.

*Paparoas.*

Generally, interest in quartz-mining seems to be dead. One or two companies are, however, still carrying on operations in the mountains. The Cæsus has been working intermittently, and is now putting in a low-level tunnel from the Blackball side of the range. Should a reef of a payable nature be found at that level it will tend very much to induce extensive quartz-mining operations in the near future. The Taffy Company still continue operations; but the Minerva and the Garden Gully have done very little except prospecting.

*Coal.*

The existence of coal in quantity at Garden Gully and Moonlight has long been known, but its usefulness is at last to be made apparent. Mr. James White, of Ahaura, has taken up a small lease, and proposes to supply dredges on the Grey River and Moonlight Creek with coal from his mine. About 100 tons a week is estimated to be the immediate demand.

*Timber.*

This district has never been more to the fore in the timber industry than it is now. Mills have been erected, and are working at—Nelson Creek, two; Ahaura, one; Orwell Creek, one; Craigieburn, one; and Mirfin's Flat, two. Fresh bushes have been attacked, and the output of timber from this district is now at least four times as great as two years ago. Nor is this activity noticeable only in the mills. Perhaps a hundred men are engaged in the bush hewing and pit-sawing railway-sleepers, and the results of their work are to be seen in the many thousands of sleepers piled up at the railway-stations at Totara Flat, Ikamatua, and Ngahere.