

of construction, which will increase the supply in the future; but there are now very few streams from which the existing water rights would not absorb the full flow in ordinary seasons. The only means left for making further provision appears to be by the construction of dams and reservoirs; and this, although a costly mode of obtaining water, will no doubt be gradually adopted, for there appears to be no prospect of the value of water decreasing, and the profits derived from water races would justify a considerable expenditure upon works which would be again productive.

*Black's No. 1.*—In this division of the district the population has been considerably increased by the arrival of a large number of Chinese miners, who have settled down to steady and profitable work. Many of them have been doing remarkably well in working old ground in Black's Flat, while a few have taken advantage of the low state of the Manuherikia to divert portions of that river, and work the bed, and have been largely remunerated.

*St. Bathans* continues to be the most prosperous portion of the district, and it contains some of the best sluicing ground in the Province. That part known as the "Basin" has been in work for the last eight years, and is still yielding large quantities of gold from claims which will take several more years of labour to work out.

The St. Bathans's main channel, which was formed about five years ago, partly with Government aid, for the purpose of making provision for want of sufficient fall in the gully to carry away tailings, and into which all tail-races empty, has been lately washed up, producing 200 oz. of gold. There was also a small washing from it some time ago, making in all about £900 worth of gold saved, which in ordinary cases, where tailings are not collected in a second race, would have been lost. The miners who constructed this race, which is considered to be the common property of those discharging tailings into it for the time, having no expectation that so much gold would be collected by it, made no provision for its distribution, and some difficulty has occurred in allotting the proceeds amongst the different claimants.

Extensive works are in progress at Muddy Creek, which, when completed, will make that locality of much importance. A large quantity of valuable mining ground is known to be there, and an extensive area, at present unprospected, will in all probability prove auriferous. Hitherto the small quantity of water available has prevented more than a very partial development of that field; but this will shortly be met by a new water race, which is being brought in from a distance of thirty miles. This race is being constructed by a party of six miners, will cost not less than £1,500, and is to be finished in twelve months. Two extensive tail-races, each of which will cost several hundred pounds, are also being proceeded with. It is proposed by some miners, long resident in the district, to construct a main channel up the bed of Muddy Creek, which is now almost choked with an accumulation of tailings from the workings above. This channel is to be three miles in length, and will have to be nearly 40 feet in depth at the upper end, with an average depth of 20 feet. The projectors of this undertaking, six in number, are willing to enter upon its construction provided they obtain a special claim of thirty acres of mining land, under section 12 of "The Gold Fields Act, 1866," and will allow the race to be in general use as an outlet for tailings. The race will pass through a large bulk of tailings and old worked ground, and it is expected that sufficient gold will be collected in constructing the race to pay the cost of the work.

*Welshman's Gully.*—The miners here are nearly all old residents of several years, and seem to be as prosperous and contented as those of any mining locality that I know of. Almost every miner is a race proprietor and the holder of a mining lease. They live in good substantial houses, with gardens around them, and the gully presents a general appearance of comfort unusual to see upon a gold field. A new water race is being brought in from the Dunstan Creek, which will add further to the prosperity of this field. There are several excellent seams of lignite here, from which supplies for nearly the whole district are drawn.

*Blackstone and Woolshed Diggings.*—The past year, on account of the small rainfall, has been a very unfavourable one for these diggings, and many of the claims have been unworkable from want of water, and had to be protected for suspension from work. There is plenty of ground here which will pay well during the time when water is procurable, and no doubt, when moister weather prevails, there will be a return of prosperity.

*German Hill* has suffered from the same cause as the places last mentioned. A large population could be supported here, provided an adequate supply of water could be brought in to it.

*Ida Valley.*—The auriferous gullies leading into the head of this valley are principally occupied by Chinese miners, who appear to be contented with the result of their labour.

*Black's No. 3.*—The only deep sinking in the district is being done here. A party of miners have been working for some months at a depth of 120 feet, and have been well paid. The gold found is much coarser than that obtained in sluicing shallower ground. The claim is worked by a horse-whim, and the ground is wet and has to be thickly timbered. The adjoining land was at one time held by a registered company, who sank a shaft 180 feet deep upon a patch of very rich wash-dirt, yielding several ounces per load. When this patch was worked out, a drive was put in for a distance of 100 feet, and a monkey-shaft sunk at the far end, which bottomed at a further depth of 80 feet; but although a drift gravel was met with, it did not contain payable gold, and difficulties occurred which prevented further prospecting. This claim was very wet, required heavy timbering, and was worked with hired labour; and the heavy expenses exhausted the capital of the company, which then ceased operations. There are many experienced practical miners who believe that rich deposits of gold, if not a regular deep lead, would be discovered if a properly organized company, with a sufficient capital, were to make the attempt.

*Drybread.*—The water supply here is in the hands of three parties, who work their own ground and use all the water obtainable, instead of, as heretofore, selling water in small heads to any miners who might choose to take up claims. This tends to decrease the number of men who can find occupation; but there is no doubt that gold is obtained at a much less cost by using large quantities of water with few men than upon the old system; it also leads to more steady and systematic working. Nearly £1,000 has been expended here in iron piping to bring water from a height to bear upon the claims with the full quantity of pressure that can be obtained.