

2. The strong approval, however, which I feel bound to give to the Act in respect to its working on the part of this field which has been long open, and which has been so well prospected, I cannot extend to its suitability for land newly opened; and I think that such country should be opened under the Gold Fields Act, or that such amendment of the Gold Mining Districts Act should be made as would render it more suitable to the requirements of new ground. The great objection is the large extent of land (thirty acres) which, under the Gold Mining Districts Act, may be taken up as a claim or under license. The principal object on new ground is to have it efficiently prospected; and ample experience has shown that in no way can this be done so thoroughly as by allowing it to be taken up in claims under miners' rights. In this way an immense amount of driving and sinking is done, and surface leaders are found which conduct to more valuable discoveries. By this means, also, it is found where the erection of expensive and permanent machinery will pay, and claims gradually become amalgamated, till the ground is in portions large enough for extensive operations.

3. For some years past, the Government have been acquiring by purchase from the Native owners the fee-simple of blocks of ground on this peninsula. One of the most extensive purchases has been made during the past year—that of the Hikutaia and Whangamata Blocks. These are situated to the south of the present gold fields, and, in fact, extend up to the boundary of the Ohinemuri Block. In the early part of January last, after a prolonged session, the Native Lands Court gave judgment as to the claims for ownership of these blocks, and immediately thereafter Mr. Mackay commenced negotiations for their purchase. Great expectations had been raised as to this ground, owing to the alleged discovery of a rich reef by a man named Brogan; and as work was slack on the older workings in this quarter, a great number of men were prepared to give the new field a trial. During the time of the negotiations for the purchase of the land, and before the Proclamation was issued annexing it to the goldfield, a good deal of prospecting was done notwithstanding that a number of Natives and two European constables were employed to prevent it, and as the result of that prospecting was not favourable, the number of men who went up to the new ground was much fewer than would have been necessary to give the ground a trial had even moderate prospects been obtained at different places. As it was, several hundred miners were encamped at Hikutaia, on the River Thames, and at Whangamata, on the East Coast, when the ground was declared open, on the 20th of February last. I was instructed by His Honor the Superintendent to proceed to the new field, and open my office in a building erected by Mr. Mackay on the new township which had been laid off by him at Hikutaia. My duties at Grahamstown and Shortland were discharged during my absence by Mr. Warden Keddell, from Coromandel. Previous to the opening of the field, a claim of thirty acres was marked off for the prospectors at Whangamata. Respecting this claim there has been a large amount of dispute and contradiction, which it is not necessary for me to go into. It was alleged that Thomas Brogan had discovered a rich reef, which he was to share with Messrs. Levy and Goldwater. On representations being made to the Superintendent as to the value of the discovery, he promised that when the land was acquired he would give the prospectors a claim of thirty acres. But Brogan and the others quarrelled; and when the time came to mark out the ground, the man who was supposed to be the discoverer would not point out the reef, nor have anything to do with the claim. The claim was marked out a few days before the field was declared open, on a reef at Whangamata, supposed to be that meant by Brogan. I read the Proclamation opening the field to the miners at Hikutaia on the 20th of February, and remained there till Wednesday, the 26th. On that day, the whole of the men at Whangamata, discouraged by the result of their prospecting, came over to Hikutaia, and with the men at the latter place, who had also been unsuccessful, determined to return to Shortland. I also came down to Shortland, and proceeded to Auckland to inform His Honor the Superintendent how matters stood. I was authorized by him to return to my duties at Shortland and Grahamstown, to leave a clerk at Hikutaia, and myself to pay visits to that place weekly. Within the last few weeks the clerk has been withdrawn; but in case of any discovery being made, facilities for transacting business would at once be afforded at Hikutaia.

4. I am glad to state that since the return of the men from Whangamata there has been a good deal of prospecting on the outskirts of this field, and on ground near the townships which had formerly been occupied. A good many new claims have been taken up, which I am informed are paying the men who are working them. I fully believe that this renewed energy in prospecting will greatly assist in causing a revival in mining matters generally.

5. The following are the returns of gold from the field, and the estimated quantities of stuff crushed, as furnished by the *Thames Advertiser*. There being no official records of crushings kept, I furnish these as the most authentic obtainable. Amongst the returns are a few from Coromandel:—

Gold Returns for Year ending 31st March, 1873.

Date.				Stone Crushed.	Results.
1872.				Tons.	Oz.
April 18	...	...	...	7,149	14,547
May 15	...	...	...	8,142	15,933
June 11	...	...	...	6,117	9,925
July 9	...	...	...	6,511	12,342
August 8	...	...	...	8,053	12,173
September 3	...	...	...	8,009	12,147
October 1	...	...	...	8,028	10,504
„ 31	...	...	...	8,521	8,883
November 26	...	...	...	7,595	9,914
1873.					
January 3	...	...	...	11,971	15,682
„ 21	...	...	...	3,838	3,384
February 18	...	...	...	7,206	8,956
March 18	...	...	...	7,364	8,646
				<u>98,504</u>	<u>143,036</u>