

ings here will continue to support about the same number of miners as are engaged at present; but the neighbourhood is capable of maintaining from 1,500 to 2,000 men easily, if water were placed at their command at a moderate rental.

Orwell Creek.—The lead of gold I reported as being tested on the terraces here in April last, has not turned out as well as expected, some few parties only doing well. In the bed of the creek some extensive workings have been undertaken by a party of miners, who have applied for a special claim of ten acres. They have erected pumping machinery, sunk a shaft by the side of the terrace, and then driven under the bed of the creek for some 150 feet, meeting with most encouraging prospects. The expense of working the claim, owing to the quantity of water to contend with, is greater than the party calculated it would be at first, and they are now endeavouring to form a company with sufficient capital, to enable the shareholders to complete a long tail-race, and so work the ground efficiently. If they are able to carry out this plan I have no doubt of their ultimate success, and a large field will be opened up for other parties to take up claims.

Blackwater.—Here in addition to the European miners some twenty-five Chinese have set to work, and seem disposed to remain.

No Town.—Here as at Blackwater the Chinese have settled down in considerable numbers, and I suppose there are now some 200 finding profitable employment. The general prospects of the place seem as good as ever, and although the late flood was damaging in its effects among the creek workings, none of the parties affected seem to have lost heart, or be disposed to abandon their claims. I believe the introduction of the Chinese here has been productive of much benefit, as they have reopened old-tail races long since abandoned and blocked up (and which the ordinary miners would not have gone to the expense and trouble of repairing), and by so doing have drained and rendered available for mining purposes a large tract of ground besides that taken up by themselves. They have also erected large wing dams in the creek, and by means of these, and water-wheels, are working very wet ground that the other miners would not take up.

Moonlight.—Matters here remain in much the same state they have done for some time past, all the miners being engaged in alluvial workings, and no effort being made to prospect the numerous quartz reefs which abound in this part of the district. There is very little chance of any improvement in this place until some accidental discovery opens up a payable reef, which may be done in running in a tunnel to work alluvial ground. It is remarkably strange that this place, so well thought of by practical miners as a likely reefing locality, should receive so little attention at their hands. Doubtless the difficulty of getting to it, owing to the want of a road, will account for the neglect.

Black Ball.—The prospects here are still good, and though the population is limited, the men as a rule are doing very well. During the coming year the number is likely to increase by the addition of Chinese miners, who have been prospecting, and seem disposed to settle down to work in the creek bed.

Bell Hill.—I have little to report about this place as I have not yet been able to visit it myself, and the business people and miners residing here rarely if ever visit Ahaura, as the supplies of provisions, &c., are all drawn from Hokitika. A track is now being cut from a point above Paddy's (No Town) to Lake Brunner, which, if made available for pack-horses, may be the means of opening up new ground, and bringing the Bell Hill trade into No Town.

Red Jack's.—A good road to this place has long been wanted. It still supports a good many miners, but its isolated position, arising from want of a road or track, greatly retards its advancement.

Nelson Creek.—The letting of the contract for the construction of the Hochstetter water-race has given fresh energy and life to both the miners and business people here, many of the latter having already began enlarging and improving their premises, while others contemplate doing the same shortly. There must be a large increase in the number of men finding employment in this neighbourhood very shortly, while the race is in course of construction; and of the ultimate prosperity of this district as soon as the work is completed, no one acquainted with its formation and resources entertains any doubt.

General Remarks (on other subjects than Gold Mining).

Several fine seams of coal of good quality and great thickness have recently been discovered at various places, from five to ten miles distant from Cobden. The coal seams are within easy reach of the coast terrace, and the formation of a railway to bring the coal to Cobden is a work that could be readily accomplished, there being no engineering difficulties in the way.

A good many coal-prospecting leases have been applied for about the Seven-Mile and Ten-Mile Creeks, and up Coal Creek, at the back of Cobden. I think I may, without impropriety, point out to the Government the necessity of urging on the General Government the importance that exists for the improvement of the harbour at the Grey; for until that is done, the coal seams in the district must be suffered to remain comparatively unworked.

The new Licensing Act appears totally unsuited to the requirements of a gold field, where it is often necessary for public convenience that a house should be opened (and indeed erected) with the least possible delay. Under the existing Act, months might elapse before such a thing could be done.

Wardens and Resident Magistrates' Courts are now held at Ahaura, Cobden, No Town, and Granville, and before long I think it will be necessary to station an officer at Nelson Creek for the purpose of issuing miners' rights, business licenses, and supplying application forms, &c., to the miners; as there can be little doubt a large business must spring up here consequent upon the public works being carried out in connection with the Hochstetter water-race.

I forward various statistical returns, showing the amount of business transacted in the various offices under my control during the past year.

I have, &c.,
CALEB WHITEFOORD,
Warden.

The Under Secretary for Gold Fields, Wellington.