

REVENUE.

The same general state of things is shown by a comparison of the amount of revenue (exclusive of gold duty) collected during the years 1875 and 1876 respectively, as well as during the first quarters of the years 1876 and 1877 (Table 4). The total revenue for 1875 was £53,640, and for 1876 £48,226. The amount for the quarter ending 31st March, 1876, was £11,892, and for the corresponding quarter of 1877 £11,407. On comparing the different items of increase and decrease respectively, we find that the principal decrease has taken place in the Provincial Districts of Auckland and Otago; and of increase in Nelson and Westland, particularly the latter.

It is perhaps a matter for congratulation that the falling off has not proved to be more considerable than we find it to be, when we consider the steady tendency to decline which is displayed by all alluvial diggings, and the comparative tardiness with which reef-workings are developed by the aid of capital and machinery in inland and almost inaccessible localities.

QUARTZ REEFS.

The condition of the different reef workings in the North Island will be ascertained by a perusal of the reports of Mr. Goldsmith, Mining Inspector; and of Mr. Warden Keddell. Of quartz reefs in the other island we find very little account, except in the report of Mr. Warden Shaw, for the District of Inangahua. The number of claims at work, the quantity of stone crushed and of gold extracted from it, and the dividends which have been paid, justify the expectation that "this enormous field," as Mr. Shaw truly calls it, will, in spite of the high rates of carriage between it and the coast, prove yearly a more important factor in the prosperity of the New Zealand gold fields.

The Macetown Reefs, which Mr. Warden Simpson mentions as "the most important discovery that has been made on the Otago Gold Fields this year," may perhaps prove to be the beginning of good things for that district, but they are yet too recent to warrant more than the moderate statement which the Warden makes concerning them.

RACES.

The Wardens in some parts of their reports speak of the importance of a good supply of water, and in one or two instances they mention races which have been constructed by Government as having proved very beneficial. But I have no data before me to show whether the benefit derived from these races is sufficient to compensate the cost of their construction, and of their repair and management. The Mount Ida Race, which is lately completed, will probably before very long furnish to some extent an answer to this question.

NEW DIGGINGS.

The principal discovery during the year which calls for notice is that of the Kumara Diggings, on the West Coast. A full description of this new locality will be found in the report of Mr. Warden Price, whose account of it, although studiously moderate, is enough to show the importance and value of the field. Its influence in arresting and compensating the downward tendency of gold-fields matters in several instances has been already pointed out.

POPULATION AND SETTLEMENT.

The total number of miners on all the gold fields at the close of the first quarter of the present year is stated as 16,770, as compared with 16,639 for the corresponding date in the previous year. This is a very small deviation, but we find a diminution in all the districts except Marlborough and Westland, in the latter of which there is an increase of more than two thousand. The number of Chinese employed in gold-mining, which is now stated as 3,708, appears to have undergone a diminution of between three and four hundred in the course of the year.

The Wardens for the most part speak of the progress of settlement upon the land as steady and satisfactory. The return of agricultural leases in force on the 31st March of this year, as compared with the corresponding period of the previous year, and of the total acreage under lease, shows very little variation, the number of leases being 884 in the year 1876, and 842 in 1877, whilst the area under lease was 80,889 in the former year, and in the latter 83,489.

The mode of granting agricultural leases on gold fields, and the terms upon which they should be granted, must always to some extent represent a compromise between the different interests of mining and agriculture. Until a way has been discovered of pronouncing to what extent ground is auriferous without prospecting it, there must always be some little risk and uncertainty in granting an agricultural lease, and all that can be done is to make reasonable provision for entering to prospect and to mine on payment of proper compensation to the lessee. This subject has been attracting attention in Otago, where some associations of miners have recommended certain alterations in the rules relating to it. These, however, appear to be adapted only to cases in which the lessee is primarily a miner and secondarily an agriculturist, and I am not aware that for purposes of permanent settlement the present regulations are materially defective.