

but a supply at a moderate cost would lead to an increased local demand for building, fencing, and mining purposes.

21. The next important source of production is that of gold-mining. The whole of the district which would be opened up by the proposed line is an established and productive gold field. We were glad to observe the appearance of stability shown in the various places we visited, good stone buildings having been erected as stores and hotels, instead of the temporary structures in use in early times. Mining, which is chiefly carried on by sluicing, has settled into a steady industry, and, until the agricultural capabilities of the country are made available, it may be said to be the mainstay of the population. We found at Naseby and other mining centres there was a tendency on the part of the miners to associate themselves into companies, and thus to carry on their labour more systematically and profitably than when single-handed. A number of the miners were thus enabled to occupy their time partially in agriculture. The quantity of gold, the produce of Vincent County, exported last year was 23,785 oz.; of Maniototo County, 15,855 oz.; of Lake County, so far as it is affected by the proposed railway, say, 5,000 oz.; and of Taieri, 1,887 oz. Making allowance for the gold retained in the colony, it may be safely averred that the value of the gold produced in 1880 in this district was not much under £200,000. From the testimony of witnesses examined, we believe that the production of gold might be largely increased if the cost of living were lowered, and facilities of tunnelling afforded by timber being carried at a low rate. The importance of the industry is shown not only by the value of the produce, but also by the amount of capital engaged in it. According to a parliamentary return there are 1,741 miles of head races in Vincent, Maniototo, and Taieri, and the cost of construction of works is valued at £370,985. This large capital would be made still more productive than it is by the extension of mining, consequent upon improved communication. An important branch of gold-mining, namely quartz-crushing, may be said to be only beginning in this district. The Cromwell mine, with a capital of £74,000, yields paying dividends, and there are good prospects in the undertakings in Carrick Range, Rough Ridge, and the Serpentine. Near Hyde we saw a party engaged in turning the course of the Taieri River for a length of 60 chains to secure the golden harvest in the old channel. Arrangements have been made to place four new dredges on the Molyneux, near Alexandra. These are indications of the spirit and energy which would be evoked by the better opening up of the country. The whole of the railway route is within the geological formation named by Professor Hutton "The Wanaka," and stated by him to be "the main gold-bearing formation of Otago." The very richness of its alluvial workings has been derived from the degradation of the quartz veins, leading to the inference that a vast amount of auriferous rock is yet to be profitably worked, capable of maintaining a large population.

22. Although the precious metal has hitherto been the main object of pursuit, the other mineral resources of the district are beginning to command attention. In Vincent and Maniototo Counties there are eighteen collieries under lease, and the supply of brown coal of good quality is abundant. Some of the seams are 25 feet in thickness. Grey antimony has been found in various places. A fine lode is situated in Carrick Range, regarding which Professor Ulrich, in his essay on the Gold Fields of Otago, writes: "Although the lode is a promising one, the expenses of the carriage of the ore to the nearest market would be so high as to leave but a small, if any, margin for working expenses out of the price obtainable for it." In the Carrick Range copper pyrites is obtainable which contains $13\frac{1}{2}$ per cent of metallic copper. Similar ore in Cornwall, containing only from 5 to 10 per cent of copper, is sent to Sawnsea for reduction. Until cheaper carriage can be had, the local mines cannot be profitably worked. Cinnabar, containing 82 per cent of mercury, has been found in the same range. We saw a sample of specular iron in the County Museum at Clyde, which is found in quantity at the Old Man's Range, and which on analysis is reported to be capable of yielding 80 per cent. of pure steel. The Ural Mountains and Sweden are said to be the only places where it is wrought at present. The following minerals are also found in abundance in the Dunstan District, viz., rhodonite, or manganese spar; manganite, or the grey oxide of manganese; bournonite, or grey copper ore; and specimens of galena, graphite, native copper, zinc blende, and silver have also been obtained. The dormant mineral resources of the district are evidently very extensive, only requiring improved communication to become a source of additional wealth to the community. We saw at the Museum at Clyde a specimen of stalactitic marble, beautifully marked and semi-translucent, which was taken from a vein discovered betwixt Cromwell and Clyde, said to be capable of being quarried to a large and profitable extent if easy means of carriage were practicable.

23. We have not been able to obtain an accurate return of the existing goods and passenger traffic betwixt Dunedin and the interior. There are three main roads, one by Lawrence and Roxburgh, one by Strath Taieri, and a third by Shag Valley, on each of which a coach travels twice a week. Many travellers use their own conveyances, or ride on horseback. The whole of the stores used, excepting food produced on the spot, are transported by wagons at a heavy cost, checking the development of trade. We are satisfied that the existing traffic is of considerable value, but it is of less importance that we should be able to give an approximation, as experience has proved that the convenience of a railway so operates on the resources of a district as to make a traffic for itself. In the Imperial Parliament a traffic case is never now required to be proved by promoters, as it has been found without exception that the actual traffic resulting from the construction of a railway has far exceeded the most sanguine estimates. It is sufficient therefore that we give a statement as to the resources of the country. If these be abundant, remunerative traffic will prove to be a reality.