

main tail-race into it, the idea being that, as the lead was not found to the southward, it took down to the Kapitea in a northerly direction. It is to be hoped their expectations may be realised, as they have done a great deal of work without remuneration.

With regard to the efforts made to open up Gillam's Gully, near Stafford, referred to in my last report, they have been attended with only partial success. The ground has been opened, a water-wheel and pumping machinery erected, and payable gold found, the last washing giving nearly 2dwt. to the load; but the first party, with which the association agreed to work the ground, could not get on satisfactorily, and their disputes formed the subject of litigation in the Warden's Court, much time being lost before a second party attempted the undertaking, but without success, owing to the irregular supply of water for pumping, and the claim is now idle pending fresh arrangements.

The mining association at Stafford, assisted by Government, is having a drainage-tunnel put into Kelly's Terrace and adjoining ground. A survey has been made which shows that it will be 3,600ft. in length, and the cost £1,800. When connected it will give profitable employment for a number of years to a great many miners.

The works in hand for promoting the mining industry in Italians' and Callaghan's Gullies and Waimea Valley may be summarised as follows: A branch of the Waimea Water-race is now nearly completed to Italians' and Callaghan's Gullies, and a contract has been entered into for the construction of an inverted syphon, 26 chains in length, to convey the water of the Callaghan's branch across the low saddle near the highest point of the Hokitika-Kumara Road. Arrangements have been made for the construction of a main tail-race from the middle branch of the Waimea Creek to the right-hand branch, where there is a large space available for tailings. The amount of ground likely to be sluiced in the middle branch is between 70 to 80 acres. A branch of the Waimea Race will supply the claims on the middle branch with water, and about a mile requires to be constructed to make it available for that purpose.

The timber industry has been steadily on the increase. The Westland sawmill is in full swing, giving employment to about thirty men regularly. There are a considerable number of men getting sleepers in different parts of the district, and thus employment is found for many who would not otherwise know where to find any. Another branch of this industry has just now been started—viz., the sending of timber to England for paving and other purposes. A trial shipment is now being sent Home, and if it is a success it will give a great impetus to this industry. On the whole, the timber trade is becoming of more importance to this district, where the supply is practically unlimited.

KUMARA.

Three extended claims have been worked out entirely during the year ended the 31st March, 1895. All of them have been sluiced for many years. Three other of the old sluicing claims on the field have ceased work, as the returns were not of a payable character. Three of the claims in which operations had ceased last year have been recommenced, and, although they are very poor, work will be continued as long as the claims will pay small wages. There are still a few good claims on the field which are likely to continue payable for some years to come. One claim changed hands in October last, and at auction was sold for the sum of £2,600. In this claim there is only about five years' sluicing to be done before it is worked out on the level that has always been considered the bottom, but the present owners are now engaged in driving a new tail-race, about 1,500ft. in length, on a lower gradient, with the intention of working the whole claim over again to a further depth of from 20ft. to 25ft. If this experiment is successful, other claims may be opened out in a similar manner. Although the probability is that most of the richest ground has been sluiced away, there is still a large amount on the Kumara field that will pay for sluicing on a large scale with the most approved appliances.

The deep-level tunnel has been driven a distance of about 1,200ft., and the face is now in about the middle of Dunedin Flat, near the shaft connected with the No. 3 channel. Very little prospecting has been done in the wash, as the tunnel is throughout (nearly its whole length) in the blue-reef bottom. Very encouraging prospects have been obtained in several places, which will be followed up as soon as the tunnel has been extended to the point originally intended, about 100ft. from the present face. No. 4 channel is approaching completion, the distance driven and timbered being more than 2,000ft. The channel is being carried out by the holders of the ground, who intend using it, and a Government subsidy is being given to assist in carrying out the work. Arrangements have also been made to carry out a No. 5 channel, which the Government is also assisting by way of subsidy. The length of this channel will be about 4,300ft., and work has been started on three separate sections. Two shafts are being sunk, from which work will be carried on in sections 2 and 3; waterwheels and winding-gear are being erected at each of the shafts to facilitate the work, and it should be completed within twelve months. When channels Nos. 4 and 5 are completed, a very great revival in mining should be the result. The water-supply has been several times short during the year, owing to long spells of fine weather, which caused considerable breaks in mining operations, and the total result is not quite as good as last year. Some new claims have been taken up on the Shamrock lead in connection with the main tail-race (called No. 5 channel) already referred to. This channel will command ground chiefly within the borough, with the exception of the claims alluded to.

No new ground has been opened up for mining purposes within the past year, but mining operations have been steadily carried on with fair results, as far as can be judged, although the year has not been as favourable for sluicing (owing to the exceptional fine weather that has generally prevailed) as former years. The necessities of life are now cheaper than in former years, owing to the railway communication. The road between Kumara and the railway is in a much better condition than it was a year ago. The road has been widened and metalled, and a width of the bush on either side has been cut down. The population of Kumara district, including Greenstone, is