

one as at present. The cost of the proposed race is estimated at £2,500. A sawmill is being erected to cut timber for the construction of the three miles of fluming required, owing to the broken and soft nature of the country over which the race passes. The claim is being worked to a depth of 15 ft., and the output with the one elevator is estimated at 30 yards per hour. The operations of Mr. McKay in connection with this claim give employment to eighteen hands.

Waiwhero Sluicing Company (No Liability).—This company's properties and operations were described in previous reports, and it is now merged into the Waiwhero Sluicing and Dredging Company (Limited). The original company, having met with greater difficulties than at first anticipated, due to the nature of the country and to protracted costly litigation, found it necessary to provide increased capital, and therefore reconstructed under the present title. On its formation the new company at once let contracts for the continuation of Canoe Creek Water-race construction to the extent of £7,000, and is also carrying out various incidental works involving considerable further cost. The present mine-workings are dependent on the water-supply from small creeks which have proved too fluctuating and scanty for continuous sluicing, although they have confirmed the company's belief in the remunerative character of the ground, and also its intention to bring in the copious and constant water-supply from Canoe Creek with the utmost possible speed. This company's operations have found employment for a large number of men, and are likely to do so for many years.

Pactolus Sluicing Company.—This company has during the last year completed its water-race from the Twelve-mile Creek, and this, together with its Fourteen-mile Creek Race, provides an efficient water-supply for sluicing purposes. The Twelve-mile Race is 400 ft. above sea-level, its length about two miles, and its construction is either tunnel or boxing. The timber for boxing both races has been rafted from Greymouth, hoisted up aerial lines, and run forward, as work proceeded, on tram-lines formed on the fluming. The race-construction necessarily occupied time, thus sluicing was not begun until a recent date, when No. 1 face was opened up, and is now being worked. The gold is fine, but is successfully treated and saved by the appliances in use.

Borough of Greymouth.

The lagoons within the borough have been taken up by a Sydney syndicate, who have undertaken to dredge them to the depth required for a wet dock, and to reclaim the swamps with the dredged material, for the right to the gold obtained in so doing. They expect to have a dredge at work in six months.

Maori Creek, Dunganville.

Here, as elsewhere in the Grey portion of my district, nothing else is thought of in mining but dredging. The whole of the New River from above Maori Creek to the sea at Paroa has been pegged off, and several claims have been readily floated.

Dredging.

The whole of the beach from Barrytown in the north to Teremakau in the south of this portion of my district has been pegged out, and prospecting licenses applied for and granted. Besides the beaches, every available river and stream and many claims on the flat have been pegged out for dredging purposes.

The Grey River Dredging Company, whose claim is situate on the Grey River, expect to have their dredge at work in about a month's time, and it is confidently believed that, after allowing for the necessary delays incidental to the working of a new industry, the results will be sufficiently satisfactory to give an impetus to dredging generally.

General.

The ordinary miners in the district are doing fairly well, especially those who have their own water-races and dams. There are large areas of poor ground which are too high for dredging, and which will eventually be sluiced when high-level water-races are brought in to command them.

Although the County Council has made several tracks during the year, still more are wanted to keep pace with the pushing forward of the dredging areas, and a track up the Ten-mile Creek would be a boon to the holders of quartz-claims on the western slope of the Papaross.

The outlook for the coming year is very favourable, and points to increased activity in the mining industry.

Petroleum.

Mineral leases have been taken up at Kotuku, on the Greymouth-Jackson's Railway-line, where crude petroleum has been discovered, and several holders of the areas have been offered substantial terms for their interest therein.

Coal-mining and Timber.

The returns of exports of coal and timber from the Grey show a large increase. It must be always borne in mind that exports invariably imply corresponding imports, and these figures alone point to a very considerable expansion of trade. The following are the outputs for years 1898 and 1899:—

Coal.—Brunner Coal-mine—1898, 66,694 tons; 1899, 103,085 tons. Blackball Coal-mine—1898, 52,835 tons; 1899, 65,300 tons.

Timber.—Quantity exported in 1898, 11,783,292 superficial feet; 1899, 15,116,175 superficial feet. Amount of royalty received on timber cut to the 31st March, 1900, £206 18s. 5d.

Both these, moreover, are raw materials, the products of the district, and not the result of nursing by protective duties. In this respect the condition of the West Coast is unique. While