

Tuapeka were utterly unprovided for the purpose; and numbers, deterred by the gloomy tales of unsuccessful diggers, never even quitted the vicinity of the jetty at Dunedin until they re-embarked for Melbourne. At this juncture the Government issued a Proclamation (September 28) in which the peculiar features of the gold fields, and the difficulties attendant on mining operations in Otago, were fairly and honestly pointed out, and exaggerated statements were denounced as "likely to be productive of much suffering." His Honor Major Richardson, Superintendent of Otago, asserted in this document the existence of a valuable gold field, of considerable extent, capable of "affording remunerative wages to a large population," and avowed the confidence of the Government in the auriferous capabilities of the Province as a highly remunerative field for capital and labour, at the same time deprecating the inconsiderate influx of persons from other colonies, and cautioning intending immigrants to act with greater prudence. The result was a temporary diminution of immigration; but there is no doubt that the gold fields progressed all the more favourably from the consequent absence of undue excitement. A sufficient number of miners remained to test the ground, and in the month of November the escorts attained an aggregate of 73,904 ounces, affording indubitable evidence of the capacity of Otago to afford remunerative employment to a large mining population.

Major Richardson's  
Proclamation.

Waipori.

15. Early in the year 1862 further discoveries of auriferous deposits were made on the Waipori River and its tributaries, and also on the Woolshed Creek, a branch of the Tokomairiro River.

Alarm at the winter.

17. With the approach of winter came first a cessation of immigration, and then a gradual exodus from the Province. The Victorian miners were alarmed at the prospect of a rigorous season in a district where fuel is scarce, and the population consequently sustained considerable diminution, until in July (mid-winter) the total number of persons resident on the gold fields was estimated by the Commissioner at about 7,000 persons, of whom probably only two thirds were actually engaged in mining, the remainder being principally women and children, and store-keepers and their *employés*. Many professed their intention to return in the spring; others, deceived by the appearance of the country, so different to what their Australian experiences taught them to consider as auriferous, entertained the fallacious idea that the mines were exhausted. Those who remained certainly had no reason to regret having done so, for the minimum yield of gold in any one month (that of July) as evidenced by the escort returns, independently of the quantities brought down by private hand, was 10,557 ounces, which, at current rates would give average of about £2 10s. per week for each miner.

Mount Highlay.

18. Some discoveries of smaller extent, yet promising great results hereafter, were made during the winter months. The first of these was at Timbrell's Gully, under Mount Highlay. Deepdell Creek, a branch of the Shag River. Filly-burn, a branch of the Taieri, and Murphy's Gully, on Run 109, all in the neighbourhood of the Mount, were successfully prospected. Gold was also found at Coal Creek, on the head waters of the Shag River. These localities constitute what is known as the Highlay Gold Field.

Manuherikia Valley,  
&c.

19. More recently a party of miners were discovered working on the Dunstan Stream, near its junction with the Manuherikia; and in a Report on the Reconnaissance Survey of the North Western Districts, Mr. McKerron stated that gold had been found by a shepherd between Lake Hawea and Lake Wanaka, on Quartz Creek, a small tributary of the Clutha River.

Discovery of Dun-  
stan.

20. Still at the end of July, no new field of equal magnitude with the earlier discoveries had been developed; but in the following month two Californian miners named Hartley and Reilly, lodged at the office of the Chief Gold Receiver in Dunedin, 1,047 ounces of gold. The locality whence this treasure had been obtained they refused to divulge, until the Government had guaranteed to them a reward of £2000, conditionally on 16,000 ounces being brought down by escort within three months. These terms having been accepted, they stated that the scene of their labours was on that portion of the Clutha River which is situated between the junction of the Manuherikia and that of the Kawarau.

The rush to Dunstan.

21. No sooner was this information made public than a rush of unprecedented magnitude occurred. Without waiting for any confirmation of the prospectors' statements, thousands hastened to the new field. Clerks resigned their situations, and mechanics quitted their work. On the older gold fields, miners deserted payable claims, and for a brief period Tuapeka and Waitahuna were nearly deserted. That a reaction should occur was inevitable. It was hastened in this instance by the scarcity of provisions, principally bread-stuffs, which of course could not be procured in a remote district in sufficiently large quantities to feed an extensive population. Two shillings and sixpence was readily paid for a pound of flour; other stores were retailed at proportionate rates, and wood for making cradles sold at fabulous prices, as much as £3 having been paid for an old gin case.

Result.

22. Much disappointment was caused by the peculiar character of the workings; even the experienced miners of Australia and Tuapeka were unaccustomed to regard the bed of a rapid and turbulent river as the repository of gold. Many returned to Dunedin with even greater haste than that with which they had rashly quitted it. Those who remained, however, quickly overcame the novelty of the position, and their labours were amply rewarded by the auriferous treasure which they extracted from the sands of the modern Pactolus. The banks of the river on either side became occupied by a numerous population, whose tents gradually extended from above the confluence of the Kawarau to below the gorges of the Beaumont Burn, a distance of nearly seventy miles. Others tested the Manuherikia; and perhaps the most valuable and productive claims in the district were those at and near the junction of this stream with the Clutha.

Locality of Dunstan

23. The auriferous country discovered by Messrs. Hartley and Reilly is at the Western base of