

shown by the number who have gone inland this season prospecting—about sixty men, a large number considering the small population of the district. Whilst the miners are still mostly working the beaches, which have been generally so often turned over, it must be borne in mind that they are satisfied with less wages than formerly, their expenses being also much reduced, water being now lower in price, as well as provisions and other necessaries.

At the Saltwater Beach, about twelve miles north of Okarito, there are only about twenty-two men, including the Little Saltwater Creek Dam party, twelve in number, the remainder generally working as hatters. I regret to say that the water race brought into this beach having been allowed to fall out of repair, some of the shareholders, rather than mend it at the cost of one of them, in the Warden's Court agreed to an order of sale, and it was accordingly sold by auction for about £100, scarcely any one being willing to go to the expense of renewing the extensive and decaying fluming by which the race is carried across the lagoon, and in which a breakdown might occur at any moment. The cost of construction of the race must have approached £2,000, monthly contributed by the shareholders in labour, and the returns have been but small, the evil results of defects of construction having been much increased by bad management. In this case, had the services of a competent engineer been employed in the first instance, much of the loss would have been avoided, and a race provided which would not have been likely to have continually required repairs. The water in the race having failed during the late dry weather, a number of miners dependent on it for water to work their claims have left for the Whataroa River, leaving a few still waiting for rain. One party had been trying to sluice the southern end of the beach with the water of the main lagoon, but with only occasional success, the water being generally too low to work the lead, the beach being rather wide between it and the sea; but the party now contemplate feeding the lagoon by cutting a race from a creek inland. The Little Salt Water Dam party, after eighteen months of labour, of about a dozen men, have at last succeeded in erecting a dam, which has withstood the heavy freshes to which the creek is subject, and are able to sluice the beach in an efficient manner, but would have been able to get through more work had the season not been so very dry. They are working the ground in two parties of six men each, and I suppose with good management, should make £1 a man per day, and the water commands a large extent of ground.

That miners should have left the Saltwater Creek to try the Whataroa River I consider as well to their advantage as to that of the district, for I hold a strong opinion that good ground will sooner or later be discovered there. Good gold was found there as early as the end of 1865 or beginning of 1866, and has been again of late years, but not in sufficient quantities to induce men to set in permanently. The gold has been got out of the river beaches, but I feel satisfied that a careful search will discover payable terraces; but the Whataroa being an extensive river bed, a large number of men would but give it a fair prospecting, whilst many of the men who have tried it have not been experienced miners, or otherwise might have met with more success. But there are now about thirty-two men on it, some of them old miners, and there is a good prospect of something being struck.

Two parties have been working on the beach, between Commissioner's Point and the Little Bluff north of it, but with such poor results that most of the men have left. One party raised the water of the lagoon (which has been dammed), by means of a small water-wheel, high enough to run in their race; but the shortness of water and the pooriness of the ground combined have rendered this a poor speculation. The other party raised the water by means of a lift-pump worked by a horse, but the claim has not paid. The small race brought on to the beach south of Okarito has been abandoned, the supply of water having been too small to make a poor beach payable.

On the Three Mile Beach the race party and the dam party are still working, besides two hatters, and generally do well; but the race party have been short of water. On the Five Mile Beach all the large claims have been worked out or given up—none of the parties now lifting with water, and only one working with horse-power. One or two large claims worked out paid good wages, but the others, as compared to wages, resulted in considerable loss. On the other hand, the small claim, as now worked, generally pays wages, and the miners have been able to save something. The tailings having been mostly run into the lagoon, the edging of it has become covered, and claims can now be worked on it which could not heretofore be touched. Should the river not turn out as well as expected, much new ground will here be worked, and under any circumstances will be in the course of years. The amalgamation of the two races on this beach—the Alpine and the Okarito Company—has greatly contributed to the success of the miners; a plentiful supply of water having been thereby maintained in both races in the driest weather.

A horse-road has been cut from the Totara (Waiko) to Lake Mapouriku by the Road Board. Notwithstanding the small cost (about 5s. per chain), there is not a better track in the district, from the line having been exceedingly well chosen. Arthur and party have now a boat on the lake, and are working in the neighbourhood of McDonald's creek, which runs into it. McDonald and others worked on this creek years ago, but did not make enough to induce them to stay; but then provisions had to be swagged from Canoe Point, on the Okarito River, in a track cut thence to the lake, and they can be taken to any point on it in the boat. At the latest information I received, Arthur and party had but just set in to work, but had a fair prospect of success. Of course the road *via* the Totara is a long roundabout one, and I am still of opinion that a good road could be obtained direct from the township by striking the Canoe Point track.

Three parties are now working up the Waiho River, on a steep terrace on the bank of the northern branch of the river, just below the gorge, about twelve miles from the beach. The ground, although poor, seems of considerable extent, and from its position, on a false bottom high above the river, very advantageously situate for sluicing, were there a supply of water; but that, I regret to say, is wanting, for the whole available is furnished by three small creeks running over the terrace into the Waiho, in all, about Government heads; and it is moreover stated that these creeks are affected in winter by frost. In the gorge the Waiho runs between high hills in walls of stone, and is unapproachable, precluding a supply of water thence excepting at a large expense. I consider, although contrary to the general opinion, that a supply could be obtained by blasting a race out of the stone, and raising the river bed