

majority of cases the miners leaving for Thames, Auckland, or Waikato to spend their Christmas. After the holidays work was resumed with vigour, with the result that gold-bearing stone was discovered in many claims, well-defined leaders or reefs being found. In the Aroha Mountain and adjacent spurs the country proved to be very hard and difficult to work; to the north, on the Omaha line of reef, some two or three miles off, the country was much more favourable; further south again the same favourable class of country was found. Considering the limited time within which actual work has been carried on (about three months) much has been done, though not always to advantage. The inexperience of many, who were miners for the first time, caused much work to be wasted. On the 12th February the unfortunate occurrence of a Maori being murdered in the vicinity of the Aroha Township, presumably by a European, caused a restless, unsettled state of feeling to exist between the Maori and European population. The Maoris, a large number of whom were miners, at once deserted their claims, a number of European miners doing the same; work in consequence was almost at a stand-still for nearly a month in many claims. However, the result of the work actually done, and of the various trial test-crushings at Grahamstown, led to the formation of a crushing company for the purpose of erecting a battery to thoroughly test the stone from the different claims. This battery is now in course of erection, and will probably be ready for work about the end of April. A good deal of stone has been raised, and is ready for crushing, in the various claims. The Prince of Wales has from 150 to 200 tons taken from a well-defined reef of about 4 feet thick; they anticipate it going between half an ounce and one ounce to the ton. The Morning Star has a reef of about 2 feet thick showing gold; they have some 50 tons ready, and expect an ounce to the ton. The Smile of Fortune has the same reef, and are engaged in getting ready for the opening of the battery. Clunes, Sunbeam, Our Boys, and All Nations have all gold-bearing stone. Crushing alone can prove if it is payable.

On the Omaha line of reef a large body of stone was proved gold-bearing, running from 4 to 10 feet in thickness, and traced through several claims—Tui, Native, Homeward Bound, Gold Fields, Treaty of Waitangi, and others. This locality was a favourite with the Natives, who were largely interested in most of the claims, doing a considerable amount of work before the murder above alluded to took place. I am glad to say that they appear to have got over their scare, and are now gradually returning to their claims.

There can be no doubt that the failure of the prospectors to discover the leader from whence the specimens came that were picked up in their claim, has thrown a considerable damper over the field. From the first but little capital was put into the mines from abroad, and that little came chiefly from the Waikato—the miners who took up claims at the first rush were not a moneyed class; the work was found to be heavier than was at first anticipated, a very hard bar or belt of rock being met with in many of the claims. As their means or credit became exhausted, many miners began to drop off, leaving the field, seeing no prospect of an immediate return for their labour in the absence of funds sufficient to enable them to carry on expensive underground work, where powder and the gad would be required. Others applied for protection, to enable them to leave to try for work elsewhere. I have protected many claims until the battery starts, on the above plea alone, in the expectation that the majority will return, and give the ground a fair trial.

The usual reaction invariably occurring after a rush to a new gold field, coupled with the special causes noted above, will, in a measure, account for the present depressed state of things on this field. At present there are about one hundred and fifty miners on the ground, with a total population of about three hundred, excluding, in both estimates, Maoris. To summarize the present and future prospects of this gold field, I may state that I still hold the opinion expressed in my previous and first report—namely, that a permanent gold field has been opened; but it is one that will take both time and money to develop. Several lines of gold-bearing reefs have been discovered; four, at least, of these will require to be proved at the lower levels before they can be said to be payable or not. If the crushing from the stone taken out at the upper levels should prove payable, money will no doubt be found to prove the claims further; if otherwise, further temporary depression may be anticipated, but the eventual result will still be that the discoveries already made will be further tested. It must not be forgotten that over 150 lb. weight of loose rich stone has been picked up on the surface, and as yet has not been traced to any leader or reef. A shaft has been sunk at the foot of the hills for some 50 feet, through broken quartz mullock; the shaft was abandoned, without having reached solid formation. The main range rising abruptly from the plains, with this débris at the foot to a depth as yet unknown, would indicate that the reefs will have to be sought for, or followed down to a considerable depth before reaching the sandstone formation, which has been apparently broken up by an upheaval of the hard rock above referred to. In the Prospectors' Claim the leaders appear to pinch out when running into this hard country, whilst to the north and south of the Aroha Mountain, where the sandstone formation appears undisturbed, on or close to the surface gold-bearing veins of quartz have been traced to a considerable distance through more than one claim.

I am of opinion that the diamond rock-drill, now in possession of the Government, could with advantage be used to test the nature of the ground on the flats at the foot of the Aroha range. A more favourable site for an inland town than the Aroha could not have been selected. Placed on a navigable river, connected by fair roads with the Waikato, and by water with the Thames and Auckland, with a large extent of good agricultural land in the immediate vicinity, it is probable that a permanent town would sooner or later have been built in this locality, independent of any gold discoveries. The Lincolnshire farmers' settlement would almost have insured this.

The manifest importance of a gold field in the centre of an agricultural district should alone justify further exploration of the reefs that have already been proved gold-bearing, and will, I believe, eventually prove payable.

In forwarding a list of the cases heard in the Warden's Court, it will be understood that I do not include the disputes occurring at the opening of the field in respect of the ownership of claims and business sites. These were arbitrated upon by me outside the Court, prompt settlement of the disputes being necessary. A large number of cases were thus settled.

Cases heard.—Warden's Court, 40; civil cases, Resident Magistrate's Court, 9;* criminal, 5;

* The Resident Magistrate's District was not proclaimed until February last.