

The increase in the Thames District is due to large returns from the Prince Imperial Mine, and the returns from Te Aroha are encouraging as the first-fruits of a field which promises to be both extensive and lasting. The decrease in yield in the Reefton and Lyell Districts is mainly due to the Welcome Company, who own one of the largest gold-producing mines in the district, having been engaged for the greater portion of the year in erecting winding and air-compressing machinery in their underground chamber; and at the Lyell to the principal gold-producing claim, belonging to the United Alpine Company, having been engaged during the last twelve months putting in a low level, the upper levels being worked out, and as a consequence neither of these companies has crushed much quartz during the year, hence the diminished returns.

In Otago the principal centre of quartz-mining is at Macetown, near the head of the Arrow River. There are numerous gold-bearing reefs in this district; but hitherto, from the great difficulty of access, the expense of opening a mine has been very great, every prop and piece of machinery having had to be packed for twelve or fifteen miles over a mountain range. The formation of a dray-road at a cost of £8,000 up the gorge of the Arrow River, and which was opened a few days ago for traffic, will very materially assist in the further development of this field. The quartz reefs at Skipper's and Upper Shotover have been and still are very heavily weighted also from the difficulties of access. Although a good deal has been done in road-formation during the year, much remains yet to be done before the pack-horse can be replaced by the wagon, and stone yielding under an ounce per ton made payable. On the other side of the main range from Shotover, a reef known as the Invincible has been opened out in the Rees Valley. The natural access to this mine by dray-road from the head of Lake Wakatipu is easy, and timber is procurable at small cost: there is a large body of stone, and, although it only yields about 8dwt. to the ton, the mine is paying, and promises to be a valuable property.

OUTLAY ON GOLD FIELDS.

The amount of money contributed by Government during the last two years, together with the amount that is still due on works in progress, to assist to open up and develop the gold fields of the colony is about £92,752; and the amount of gold that the colony has produced during the same period, as far as can be ascertained, has been 488,550oz., showing, therefore, that the Government has assisted to develop the gold fields to the extent of about three shillings and ninepence halfpenny for every ounce of gold that has been produced. But much of this expenditure, such as the Macetown Road already referred to, the tramway at Te Aroha, and the roads and tracks on the West Coast, are of the nature of permanent works, and their total cost to the country is not fairly chargeable against the yield of gold during their construction. They have to be looked on rather as an investment, to be repaid by the future and further development of the gold fields. It would be well to continue the opening-out of more country by the clearing and formation of roads and tracks. A little assistance in this way is often a great aid, and the opening of a track in new country is undoubtedly the most effective means of having it thoroughly prospected.

REVENUE FROM GOLD FIELDS.

From Returns Nos. 1 and 2 in Appendix, it will be seen that for the twelve months ended the 31st March, 1884, the export-duty on gold realized £23,969 0s. 4d., and the miners' rights, business licenses, rents of leases, and other mining privileges produced £28,139 5s. 4d., or, in all, a sum of £52,108 5s. 8d., which was paid over to the counties without deduction, the cost of collection and other expenses of administration on the gold fields being a charge on the consolidated revenue.

DEPARTMENTAL.

The department lost the valuable services of its Under-Secretary, the late Mr. Oliver Wakefield, through the sad accident at Dunedin on the 20th March last, which deprived him of life and the public service of a most honourable and