

Lagoon, and a number of extended claims are applied for in the Okarito Warden's Court. Both discoveries are in new and promising-looking country. At Lake Mapourika and the Waiho the miners are reported as doing fairly well, but many of them sustained heavy losses through the occurrence of phenomenal floods, that caused serious damage to their claims. At Gillespie's and the other beaches along the coast the usual number of men are at work, occasionally being well rewarded for their patient waiting.

JACKSON'S BAY SUB-DISTRICT.

There is nothing new to report from this district in the way of mining, the usual vicissitudes that follow beach-mining being quite as apparent here as elsewhere; but settlement being combined with mining the miners are more independent. A large and promising tract of country lies unworked in this district, although known to contain gold and other valuable metals; but from its remoteness and inaccessibility it has not yet received that attention that the prospects obtained warrant. During the last few months a great many inquiries have been made about this district from able and experienced miners, but the difficulty and expense in getting at it is the great drawback, and the difficulty is that, although there are plenty of men, they have not got the money to go out for, say, six months, without assistance. The solution of this difficulty is in the hands of the Mines Department.

DREDGES.

So far, our experience of dredges has not been financially profitable, the last failure being that of the Kanieri dredge, she having gone down at her moorings during a flood in the river. The company went into liquidation, the plant being bought by Mr. Skene, who took immediate steps to raise the dredge. This was successfully accomplished. The damage sustained was trifling. The owner is now in treaty with parties on the Matikatikarina, where, I have no doubt, she will do good work. The machine has been proved to be admirably adapted for ordinary dredging, and can deal with an immense quantity of ordinary river-drifts. Her failure at the Kanieri was due to the fact that the wash-dirt was too tight, and contained too many large boulders, hence her inability to deal with it.

Mr. Welman, at the Saltwater, was reported to be on good gold with the Welman dredge, but a series of difficulties have been met with that require to be overcome before a profitable return can be looked for. The Three-mile dredge is still lying idle. At the Five-mile Mr. Dicken's "Ball" dredge is now fairly at work: returns said to be satisfactory, but I have no reliable data to guide me in the matter. Dicken claims to have made the Ball dredge a success.

The Von Schmitt dredge, at Gillespie's Beach, was sold some time in January to a party of twelve, and since then has been converted into a light-bucket dredge. The whole plant has received a thorough overhaul, and in a short time we hope to see the machine at work, when the value of the beach will be fairly tested. The operations of this company are being watched with considerable interest, and their success would certainly result in most of our beaches being reworked. The only other matter connected with our beaches calling for attention is the proposed establishment of extensive mining operations on the Five-mile Beach. Some months ago an application was made in the Warden's Court, Okarito, by the agents of an English company, for a special claim of 100 acres; also water-rights from Alpine Lake, with an indicated expenditure of £20,000. The size of the claim being in excess of that usually granted, special conditions were imposed—viz., that the applicants should deposit with the Public Trustee, in Wellington, the sum of £1,000 as a guarantee that their intentions were *bona fide*, the said amount to be available on the certificate of the Warden as the work progressed. The Minister of Mines consenting, and the company agreeing, sufficient time being given to them to get their plant on the ground, the application was granted.

Roads and tracks are being extended in various directions by the Mines Department—notably, the Bowen and Okarito Road. The conversion of this into a good dray-road has been completed to the Little Wanganui, and by the end of next season we hope to see the connection made with the Okarito end. The completion of this work will greatly benefit the settlers along the line, and is likely to materially increase the tourist traffic to the wonderful Waiho Glacier. A good horse-track has also been made that will enable parties on horseback to ride right up to the terminal face of the glacier. A comfortable hut is also available for the use of tourists who may elect to spend a few days in exploring the glacier and the scenery in the neighbourhood. Other portions of the main south road, and side tracks, are in course of construction; tenders are also called for a telephone-line from Ross to Okarito. This, when finished, will be a great convenience. The want of more frequent communication by steamer is the cause of constant complaint, and is no doubt detrimental to the settlers and the further settlement of the district. A considerable increase in stock has taken place during the year, one shipment of over a thousand young breeding ewes having been landed at Jackson's Bay for the Cascade country. The difficulties in driving through the Haast Pass track, on account of the badness of the road, necessitated transportation by steamer. A good many inquiries are being made about land, and applications are now before the Board for blocks of land for running stock, and for settlement. Altogether, the prospects in this direction are promising.

I have, &c.,

The Under-Secretary of Mines, Wellington.

D. MACFARLANE, Warden.

No 11.

Mr. Warden KEDDELL to the UNDER-SECRETARY of MINES, Wellington.

SIR,—

Warden's Office, Oamaru, 12th May, 1894.

I have the honour to forward, under separate cover, the statistical returns, called for in your circular letter, showing the progress and condition of the Maraewhenua portion of the Otago Mining District.

5—C. 3A.