

spoken of, but I am without reliable confirmation as to the actual figures. I have reason to believe, however, that the prospects are very good.

The Scandinavian party has carried out some extensive improvements in connection with their water-race which will insure to them an increase to their already excellent supply, and enable them to increase operations either on their own behalf or by letting it to others.

I regret to learn the Muddy Creek Channel is not in a satisfactory condition, through the cessation of work by the M. and E. Company at Surface Hill diverting the water from Muddy Creek, which, losing the benefit of it, shows unmistakable signs of silting up. Probably Government aid may be invoked to assist in keeping it clear.

The workings at Kildare Hill are being most vigorously prosecuted, those of Mr. Ewing more particularly so. They are assuming really gigantic proportions. He is now elevating about 150 ft. in his now celebrated claim, and still, I am gratified at being able to say, with highly payable results, showing how very rich the deposit must be to permit of such immense bodies of stuff to be moved, at great cost, and still to be remunerative. The untiring energy and capability displayed by the proprietor in connection with this and his many other large undertakings is deserving of all praise and complete success. Mr. Ewing is, and has been for a number of years, the largest employer of labour and investor of capital in the district.

Others of the long-established claims in the St. Bathans basin continue to be worked with, I believe, good returns, notably Eagle and Gray, the M. and E. Claim, and others—the two named have now been worked for thirty years or more with good records. The St. Bathans Channel is almost threatened with what I have mentioned as happening to the Muddy Creek Channel. I am given to understand that the Government either has been or is about to be applied to for assistance to keep it clear. This is a matter of grave importance to the welfare of the place, and worthy every attention at the hands of the Government.

At Vinegar Hill and Cambrian's excellent work has been carried on by Messrs. Ewing, Morgan and Hughes, Excell and Coulson, Fordham and Gay, also Davis and party, all of whom, I am informed, are on payable ground. Mr. Ewing has two extensive claims opened up and in good working-order in this locality, besides the well-known one on Vinegar Hill. I am glad to hear the results, so far, have been most satisfactory, and every indication of even higher returns in the future. His expenditure in opening out these claims has been very large, and his success is again well merited.

Dredging in the Dunstan Creek has not yet been actually started, but there appears to be every probability of Messrs. Beattie, Black, and party making an active commencement in the near future. I believe a small company has been over-subscribed for the purpose. It is also understood that dredging will, ere long, be started by a company near the foot of Muddy Creek.

Altogether, the future of St. Bathans may, I consider, be looked upon with satisfaction, and hopes of permanent success and advancement entertained. Certainly, if dredging turns out to be at all approaching the triumph predicted for it, then this part of the district must advance.

In conclusion, I may say that, taking into consideration the very exceptionally unfavourable season, the past year will bear favourable comparison to many which have passed, and I see no reason to think unfavourably of the future.

The approximate estimate of the yield of gold I put at 21,000 oz., which is an increase of 2,000 oz. for the year, and speaks volumes for the future.

The amount of business transacted in the Courts under my charge has not altered materially, and the amount of revenue collected shows a satisfactory result.

Wardens' Courts: Number of complaints, 50; number of general applications, 580; number of general applications opposed, 147; applications for licensed holdings, 49; total area in same, 1,156 acres; applications for special claims, 48; total area in same, 3,030 acres; number of miners' rights issued, 672; number of water-race licenses, 328; number of general registrations, 692; total revenue collected, £1,802 2s. 6d.; deposits for surveys, £1,285.

I have, &c.,

The Under-Secretary, Mines Department, Wellington.

S. MEAD DALGLIESH, Warden.

## No. 12.

Mr. Warden McCARTHY to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Clyde, 31st March, 1897.

I have the honour to enclose herewith the annual statistical returns, and to submit the following report on mining matters in the sub-districts under my supervision, for the year ended 31st March, 1897:—

### QUEENSTOWN AND ARROW.

Mining matters in this portion of my district remain in a similar position to that of the three or four preceding years. The revenue has substantially increased in the Queenstown office, and slightly at Arrow, the figures being £1,100 as against £805 for 1895, and £500, as against £450 respectively.

### Alluvial.

In this branch of the industry there is nothing of importance to chronicle. The returns of gold keep up, and are, if anything, in excess of last year. Occasionally rich patches in a small way are heard of, but nothing of sufficient importance to warrant any influx of population.

The Moonlight Sluicing Company is the only one in full working-order, and lately it has had a good washing-up, enabling a substantial dividend to be paid. The company has a large extent of virgin ground ahead of its workings, and, should the present prospects continue, it will take many years to work it out.