

from sales of water during the fourteen years it has been managed by a Trust amounts to £18,768, while the total expenditure on maintenance for the same period has amounted to £22,374, thus showing a direct loss of £3,606. Taking the whole of the other water-races directly controlled by the department, including the Argyle Water-race, which was handed over to the Buller County Council in November, 1890, the total receipts from sales of water has amounted to £142,713, while the expenditure on maintenance for the same period has been £96,343, which leaves a profit on the working of £46,370. During the last year the Miko-nui Water-race was handed over to the Ross Borough Council, who intend raising necessary funds to complete it. With regard to the Mount Ida Water-race, it is intended to do away with the Trust, and to place the management and control directly under the department, when it is expected that some return will be got from the race, and a more constant supply of water obtained for the use of the miners, who have been sadly complaining about the intermittent supply that they have had for the last two or three years.

A considerable portion of the ground being worked out that the Waimea Water-race at present commands, it has been deemed advisable to appropriate some of the profits on the working of the races last year towards extending this water-race for about two miles, which will admit of new ground being opened up, and thus keep up the demand for the supply of water, as well as affording the miners in the district an opportunity of making fair wages.

PROSPECTING.

As pointed out, for the reasons given in my last Statement, it was proposed to ask the House for a small vote for prospecting, to be expended under the direction of local authorities or mining associations, to assist in further prospecting and exploring the country. A vote of £1,500 was accordingly taken; and of this sum £337 was expended up to the end of March last. There are still, however, large areas of auriferous country where scarcely any prospecting has been done, and if the miners on every goldfield were to combine together, and contribute a small amount weekly into a fund to be spent in prospecting, the mining industry would soon be in a more prosperous state. Were such a fund to be formed it would be the duty of any Government to contribute something to it, so as to encourage the miners in carrying out so worthy an object.

Another system under which assistance might reasonably be granted would be by treating the individual miner's labour as representing cash on which a subsidy could be granted to such an extent as would be necessary for supplying provisions and equipment. The position would then be that the miner gives his time and labour, while the State finds sufficient to provide for the necessities of life, and tools. This is only reasonable, seeing that the colony and the individual would equally profit if prospecting prove successful.

To carry on prospecting systematically and economically, all prospecting operations should be directly under the control of the miners' association in the district, as they would have a far better knowledge of the respective localities in which they live than any one coming from another district, and they would see that the work was properly carried on, and get value for the money expended. It is accordingly proposed to continue the vote this year to subsidise prospecting in the manner indicated.

SUMMARY OF EXPENDITURE ON WORKS.

To summarise, the expenditure and authorities given for works constructed and in progress in mining districts since they were under the control of the Minister in charge of the department is as follows: Roads and tracks on goldfields, £237,573; roads and tracks to open up mineral lands, £6,892; water-races, £47,764; drainage channels, £21,402; prospecting works, £49,936; wharves, £436; diamond and other drills, £4,449; paid towards the treatment of ores, £1,342; Schools of Mines, inclusive of amounts paid to the University of Otago, £14,357: making a total of £384,151, out of which £271,801 has been paid by Government; while the liabilities of the Government amounted on the 31st March last to £18,786, the balance being paid by local bodies and mining companies. A detailed statement of these works will be found in the tables annexed to the report of the Inspecting Engineer.

SCHOOLS OF MINES.

I will now, Sir, direct the attention of honourable members to the useful and important work being done by the Schools of Mines. The technical knowledge imparted to the miners