

to others to take up areas under these leases instead of the lands remaining idle as heretofore. I feel sure when the position with regard to these leases is understood many persons will feel grateful to the Hon. the Minister for his forethought.

Many complaints are made by mining companies as to the shortness of water for their machinery. The water-supply in the Ohinemuri, Waitawheta, and other streams seems to have diminished greatly during the last few years. So much so has this been the case that all the mining companies who are working their mines to any extent have been compelled to supplement their water-power, which a few years ago was ample, with steam. Probably greater water-power is now required to what was necessary some years ago, owing to the increase of the plants of the various mines. The shortness of water is greatly attributed to the fact of the destruction of the forests. Some system is required to replace this removal of the native bush, something similar to what is in vogue in Norway and, I believe, in other countries, where no one is allowed to cut down a tree without being compelled to plant another within so many feet of it. By this means the normal quantity of water in the streams is not interfered with, and a fresh bush is growing up to take the place of the timber felled.

THAMES.

The Thames-Hauraki Goldfields (Limited) properties are all in much the same position as when I last reported. The company was forced to go into liquidation through want of capital, and consequently all work was discontinued on the Queen of Beauty Extended, Deep Sinker, and Deep Levels Special Claims, and the pumping machinery at the Queen of Beauty shaft shut down, much to the disappointment of the inhabitants of this particular part of the district. It is the opinion of many local authorities that if the shaft was sunk to, say, 1,000 ft. good gold-bearing country would be found, and new life given to the industry at Thames.

The May Queen-Hauraki Mine has been in the hands of tributers, who have been working on the reef and leaders about the No. 6 level. Some parties have done well, while others have not earned wages. It is, I understand, the intention of the company at an early date to put the mine and all machinery up for sale at public auction, to be sold to the highest bidder. This is a property which might become payable if the lower levels were opened up, but this cannot be done until the field is drained to 1,000 ft.

The Victoria Company has done very little work. Tributers have been engaged in taking out small leaders, but have hardly been able to make wages. The company commenced a borehole and carried it down a considerable depth on the seaward side of what is called the Seaward Slide, but had to discontinue for want of pipes. New pipes arrived, but were found to be in such a damaged condition that they could not be used without being repaired, a work which is now being carried out. When finished, work will be resumed. This work is of considerable importance, as it may prove that the gold-bearing rocks continue out under the Hauraki Gulf.

The Waiotahi Mine still continues to pay dividends, and has a large number of men employed.

The Moanataiari Gold-mining Company's mine has been worked mostly by tributers, three wages-men only being employed in keeping the main level in repair. This company also intends to sell the whole of its property at auction at an early date and wind up its business in New Zealand. The battery has already been purchased by Messrs. A. and G. Price and Co. for considerably less than it cost.

The Kuranui-Caledonian Company's mine has been worked mostly by tributers. The company did some prospecting on Duke's leader in the Hazelbank section, where there is a considerable area of unprospected ground. For the first 60 ft. or so gold was frequently seen, but later on (although the reef maintained its size) the gold disappeared. A leader, known as the Smithfield, at the same level was worked on but found not payable, and the men taken off and put on to open up some leaders near where the rich patch in the old Caledonian Mine was found in the early days. It is quite possible some rich stone may be found here.

The Kuranui Company have been working steadily with twelve men opening up new and repairing old levels. They have been driving for some time past on a promising lode between the slide and the old Eureka ground, which is now their property, adjacent to which a rich patch was found some years ago. The manager is hopeful that payable ore will soon be found.

The New Whau and New Alburnia have done practically nothing during the past year. Both companies exhausted all their capital, and were for the most part of the time under protection, endeavouring to raise more capital, but could not succeed.

The New Whau has been forfeited, and I understand the Alburnia Company intends to sell to the highest bidder and wind up its business.

The Tararu Creek Company has been employed in extending the Day Dawn crosscut from the battery level with a view to opening up the eastward portion of the mine at a depth of 700 ft. The old Sunbeam workings have been opened up and a connection made with the battery level. A new six-drill air-compressor and new boiler have been purchased and placed in position. For some time no work has been carried on, and the mine shut down pending the raising of more capital. Mr. Powell, the manager, has gone to England for the purpose of consulting with his principals as to future operations. He favours the continuations of the Day Dawn crosscut before mentioned, which will open up new country at 700 ft. from the surface. This drive is of great importance, as it is held that the Tararu Creek district is at the head of what is called the "second gold-bearing floor" of the Thames Goldfield and that such a drive would tend to prove the assertion.

The Eclipse Company has taken out 3,800-odd tons of payable ore, but in the latter part of the year the payable ore in No. 1 and No. 2 levels became exhausted and work had to be stopped. A new low level is now being put in.

Prospecting has been going on in a few other small properties in this locality, but without anything very encouraging being found.