

mining companies interested for the driving of a crosscut at a depth of 1,000 ft., connecting the Queen of Beauty and Kuranui-Caledonian shafts—a distance of 2,748 ft. After an expenditure of £12,000 by the companies the Government paid as a subsidy £5,000, as previously agreed upon. After this sum also was absorbed upon the work the companies added £3,754. Upon this sum being expended, to prevent the stoppage of the crosscut, on the 26th September, 1912, a further grant of £1,000 was made by the Government. To avoid a formidable fault known as the Moanataiari Slide the course of the crosscut was altered by means of a deviation of 650 ft. via the shaft of the Waiotahi Mine. It is to be regretted that the result of this deep-level exploration has hitherto been somewhat discouraging, no lode of a payable character having yet been disclosed, although several small quartz veins have been intersected.

GOVERNMENT WATER-RACES.

The Mount Ida Water-races continue to serve a few miners in the Naseby district, but the number of working claims is gradually diminishing, and, as the irrigation of an extensive area of the Maniototo Plains may be carried out by means of these conduits, their purpose will doubtless be changed from mining to agriculture at no distant date. During 1912–13 the receipts from sales of water amounted to £1,147 19s. 3d., the expenditure in upkeep and supervision being £1,836 11s. 9d.

The Waimea–Kumara extensive water-race system on the West Coast has effectively prolonged the life of the alluvial sluicing claims in the neighbourhood of Kumara and Waimea.

The newly constructed extension of the Kumara Race by siphon, which crosses the valley of the River Taramakau and delivers 36 cubic feet of water per second, has added a fresh lease to the life of the claims situated on the hills north of that river. The purchase by the Government of the privately owned Erin-go-Bragh Water-race, which seriously obstructed the extension of the claims into the terraces at Westbrook, has resulted in a considerable area of payable ground hitherto unavailable being rendered accessible.

To increase the capacity of the Waimea Water-race the construction of a branch race from the Arahura–Wainihinihi Creek to the Kawaka Creek is now in progress, together with a branch race from McPherson's Creek. These conduits are expected to assist materially the development of claims in the Waimea and Stafford districts. In addition, two parties of miners have been assisted in the construction of their branch races from the Government main race.

The receipts for water sold from the Waimea–Kumara Races during 1912–13 were £1,440 1s. 5d., and the cost of upkeep and supervision £1,446 19s. 6d.

SCHOOLS OF MINES.

The attendance at the Government-subsidized schools of mines situated at the principal mining centres—Waihi, Thames, Karangahake, Coromandel, Westport, and Reefton—still continues to decline to such an extent that it is doubtful if some of the schools really justify their existence. These schools of mines during their twenty-eight years' career have received subsidies from the Government to the amount of £52,022 10s. 5d., of which £2,206 7s. 4d. was granted during the financial year 1912–13. The conditions regarding the six Government scholarships offered annually to students of these schools have, during 1912, been considerably simplified, and as a result three scholarships have been won, amounting in value in each case to £50 per annum and being tenable for three years at the Otago University; in addition to which no charge is made for class fees from such scholars. Some of the earlier winners of these scholarships now occupy prominent positions abroad in the mining world.

GOLD-MINERS' RELIEF FUND.

This fund became unfinancial about the beginning of September, 1912, and no payments could be made for some time. From that date to the 1st May, 1913, 284 claims had been received, and as funds came to hand payments were made. All claims received up to the 30th November, 1912, had been settled at the end