

8,000 ounces, and at Coromandel of 4,000 ounces; but at the Thames and Otago there are increases respectively of 2,000 and 4,000 ounces.

The Thames Gold Field, which is much the most important quartz-mining district in New Zealand, has rallied very materially during the last few months from a former state of depression. The question of the Big Pump has been settled; more machinery has been set up; tunnels are being extended into new country by means of drills driven by compressed air; and the yield of gold, according to the latest returns, is on the increase. Several of the mining companies conduct operations on a large scale, and their arrangements evince great enterprise, skill, and confidence in the future of the field.

The quartz returns from Otago, although small when compared with the Thames and Reefton, are, nevertheless, much larger for Otago than they have been for years past. A very great deal of money has been expended and work done to develop the reefs there, but as yet with only very partial success. One great drawback is the inaccessibility of some of the country, and the great cost of timber. Notwithstanding these drawbacks the further development of this class of mining in Otago is only a question of time.

MAINTENANCE OF WATER-RACES UNDER THE CONTROL OF THE GOLD FIELDS DEPARTMENT.

There are four water-races, the property of the Government, under the control of the department. Three on the West Coast—the Waimea-Kumara, the Nelson Creek, and the Argyle Water-race, Charleston; also the Mount Ida Water-race, Otago. None of these works have been a success in the commercial sense of paying cost of construction, or even interest upon the outlay, but, they afford the means to a considerable number of men of prosecuting an industry which enables them to earn upon an average about £140 per man per annum, and which could never have been so fully developed in the respective districts but for these works. In table No. 20 will be found a statement of revenue and expenditure on account of Nelson Creek, Waimea, Kumara, and Argyle water-races, for nine months ending the 31st March last, and a statement of the receipts and disbursements on account of Mount Ida water-race, from the 30th June, 1879, to the 30th April, 1880, is attached to the report by the Trust upon that race contained in the appendix.

Kumara Sludge Channel.—A necessary adjunct in most cases to a water-race is a sludge channel. The Waimea Water-race commands a large area of flat auriferous ground near Kumara, which could not be worked unless a means were provided of getting rid of the tailings. The Government has undertaken this work so far, and a channel is now in course of construction with the object of carrying the tailings on to the deep bed of the Teremakau, where they can be disposed of without further trouble.

GOVERNMENT AIDS TO PROSPECTING, AND SUBSIDIES TOWARDS THE CONSTRUCTION OF PROSPECTING TRACKS, ETC.

Since the date of the last annual report subsidies have been granted in aid of prospecting parties formed at Tapu and Mercury Bay, Coromandel, Thames, and Te Aroha, in the Provincial District of Auckland, Featherston in Wellington, Greymouth and Nelson Creek in Nelson, and in various parts of Westland, and other applications for aid are now under consideration. In every case the subsidy has only been allowed upon money subscribed and certified as paid in wages for prospecting, so that the numerous applications for assistance upon these terms would appear to indicate that there has been an active desire evinced during the year to discover fresh auriferous country.

Various applications have also been received for assistance from the vote in aid of the construction of tracks and minor works upon gold fields; but, as the necessary contribution on the part of most of the applicants was not forthcoming, the department has been unable to grant the assistance applied for. Other applications, however, of a more specific character, guaranteeing that the money will be subscribed for carrying out the works proposed, are now under consideration, and it is still considered that this vote will prove more beneficial in results than the vote in aid of ordinary prospecting parties.