

*Income and Expenditure of the School.*—The expense of maintaining the school has been defrayed by subscriptions raised on the goldfields and in Auckland and by subsidy from the Government. The number of subscribers and amounts raised in the different districts in 1886 are as follows :—

District.	Subscribers.	Amount.
		£ s. d.
Thames and Tapu . . . . .	266	287 19 6
Te Aroha and Waiorongomai .. . . .	86	44 12 6
Waihi and Karangahake . . . . .	55	30 10 0
Coromandel . . . . .	66	33 0 0
Auckland ... . . . .	40	116 2 0
Total ... . . . .	513	£512 4 0

Money received for class-fees and for assays during 1886 amounted to £11 12s. 6d., making the total amount locally raised £523 16s. 6d. The Government subsidy amounted to £330 1s. 2d., so that the total revenue of the school from all sources during the year has been £853 17s. 8d. Of this amount about £700 was spent in purchase of section of land, building of assay-laboratory, furniture and fittings of school, re-roofing school-building, and other permanent requisites in connection with the school, the remaining £150 (in round numbers) being used up in purchase of coke, chemicals, gas, and sundries, advertising, printing, and incidental expenses.

My travelling-expenses (paid by the Government) when going round from district to district amounted to nearly £70; but, as only one visit was paid to each district instead of the two that were to have been given them, the cost of travelling twice a year round the whole field may be put down at about £140. If each place had its own little laboratory fitted up, the travelling-expenses for two trips in the year, occupying six months altogether, should not amount to more than £100.

There has been some friction between the Central Committee of the school and the subscribers in the out-districts on account of the latter not having been more frequently visited, and the money raised having been absorbed in fitting up the central school instead of being expended locally. This is notably the case with Coromandel, which is in less direct communication with the Thames than are Ohinemuri and Te Aroha. In the latter districts most of the subscribers seem to be pretty well content to have all the money spent on the central school, as it benefits the whole goldfield, and nearly all are anxious to have the proposed experimental plant at the Thames rather than small local schools of mines. With Coromandel the case is different, and it seems necessary to have some arrangement whereby the money raised in each out-district should be spent locally if desired by the subscribers.

In conclusion, I would beg once more to recommend to your favourable consideration the question of helping the School of Mines in its effort to establish an experimental plant by a subsidy or direct grant more liberal than that already promised. I am convinced that such a plant would do more good to the goldfield than anything else that could be done. Another matter which I should like to bring before your notice is that at present this School of Mines can give a good and fairly complete course of instruction in assaying, determinative mineralogy, mineralogy, chemistry, and practical chemistry, and, if required, in geology and in mathematics also, but has no authority to give a certificate of competency in any of these branches to its students. There is now no immediate object for the students to work for, and I should therefore strongly recommend that authority be given to me or to the School of Mines to grant such certificates to those students who should pass an examination in each subject taught, the scope and standard of the examination being fixed by the Mines Department, and accepted as exempting candidates from examination in corresponding subjects for the mine-managers' examination. Some such inducement to steady application is urgently needed.

I have, &c.,

The Hon. the Minister of Mines, Wellington.

A. MONTGOMERY, M.A.

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