

It is hoped that some scheme may be devised by which the water from the Alexandra Race, as well as any other races to be acquired or constructed in future by the Government in Central Otago, will be rendered available for irrigation on farms and orchards after it has been made use of by the miners. It is admitted that in many instances great waste of water takes place which might not only, by a little foresight, be obviated, but could be turned into a valuable asset as a means of irrigation. The subject is an important one, and it is intended to have a careful investigation made of the matter at an early date.

The question of handing over Government water-races to the local authorities is well deserving of consideration, and will require to be dealt with in a comprehensive manner, so as to conserve the interests of the miner, the farmer, and the orchardist.

There is another phase of this question that needs attention—namely, the utilisation of the power now going to waste in connection with some of these water-races for the generation of electric power.

PURCHASE OF NATIVE LANDS.

The Government has completed the purchase of the Opitomoko, Kuranui, and Parareka No. 2 Blocks from the Native owners, and the areas comprised in these blocks became Crown lands in their entirety on the 28th May last. These lands have now been secured for the mining community at the Thames, and should aid materially in increasing the goldfields revenue.

It is hoped that within a few months arrangements may be completed under which prospecting can be carried on in the Uriwera Country, in connection with which numerous applications have been made.

DIAMOND DRILLS.

With the view of aiding the development of the mining industry, the Government has purchased, through the High Commissioner in London, three diamond drills, with a boring-capacity of 2,500 ft., 1,500 ft., and 750 ft. to 1,000 ft. respectively. Each drill will be provided for the experimental stage with chilled shot, which has been found very suitable for boring and much less costly than diamonds; also with boring-rods, steam-boiler, and complete apparatus.

One skilled operator and a principal assistant have been engaged by the High Commissioner for working these drills, which should arrive in the colony within the next few months.

Regulations for the letting-out and working of the drills are now in course of preparation.

THE CYANIDE PROCESS.

Under "The Cyanide Process Gold-extraction Act, 1897," the Government entered into an agreement with the Cassel Gold-extracting Company (Limited) for the purchase of the patents in connection with the MacArthur-Forrest cyanide process for the extraction of gold and silver from ores, tailings, &c., for the sum of £10,000. That amount was recouped to the Consolidated Fund in October, 1905, through the small royalty charged to users, and since that time all qualified persons in the colony have been free to utilise the process in connection with their mining operations.

The Waihi, Waitekauri, Union-Waihi, and New Zealand Crown Mines Companies had arranged for the use of the cyanide process prior to the purchase of the rights from the Cassel Gold-extracting Company by the Government; otherwise the purchase-money would have been recouped at a much earlier date.

The value of the cyanide process to the mining industry cannot be over-estimated. A large percentage of gold has been recovered that must otherwise have remained in the tailings-dumps, whilst a lot of the old tailings have been successfully treated for their gold and silver contents since the Government placed the process at the disposal of those engaged in mining throughout the colony.