

RAILWAYS AUTHORIZED LAST YEAR.

Contracts were let almost to the full extent of the votes on nearly all the lines authorized last year, and in several cases the votes were largely exceeded. Sections were let by piece-work and day labour at Weka Pass and Albury, in Canterbury; on the Livingston Branch and Otago Central Railway, in Otago; and at Kaiwarra, near Wellington. On all these there are about 2,300 men engaged, at wages somewhat less than current rates. It is certain that this number will rapidly become smaller as the summer advances.

ROADS.

Certain main lines of road in the North Island are being maintained, such as the Great South Road, Auckland, the Tauranga-Taupo Road, the Taupo-Napier Road, and some other short lengths of road in Native districts.

The Government expenditure on Roads and Bridges in the Middle Island during last year was comparatively small, having been almost entirely confined to Westland and the northern end of the Island.

WATER-RACES.

Detailed reports up to 30th June, on Government expenditure in aiding mining enterprise, have already been laid before you.

From these reports, and the accounts of receipts to the end of the financial year, I find that the colony has spent in these undertakings £387,169 0s. 1d., exclusive of £29,234 2s. 11d. by way of subsidies; of the former sum, £70,626 5s. 3d. has been handed over to the Thames County Council as a grant with an addition of £10,000 from the vote of the current year. It has also been arranged to hand over the debt of £11,000, due to the Government from the Carrick Water-Race Company, to the County of Vincent.

The total receipts from all water-races amount to £15,427 7s. 10d., exclusive of £2,945 0s. 2d. refund of subsidies and interest thereon, being equivalent to an average of about 1 per cent. per annum on the outlay from the date it first became productive, a very unsatisfactory result; still the collateral advantages are considerable. The Nelson Creek and Waimea Races, worked by the Government, were the means last year of obtaining 25,800 ounces of gold, and employing about 700 men.

COAL EXPLORATION.

The most important work of this class which has been undertaken during the past year is the examination of the coal beds of the Mokau District by Dr. Hector, who reports that the coal formation there is of considerable extent, the outcrops having a width of over two miles, and stretching from Kawhia Harbour towards the upper part of the Wanganui River. Coal seams crop out on the banks of the Mokau River, varying from 2 feet to 6 feet in thickness, and the quality is excellent for steam purposes, $1\frac{1}{2}$ tons of Mokau coal having been proved by Dr. Hector's trials to do as much as 2 tons of the best Waikato coal.

In connection with a district in which coal and limestone abound, an extensive deposit of brown hematite has been discovered by the Geological Surveyors at Mount Peel, in the Provincial District of Nelson. It is 50 feet wide, and has been traced for a distance of over 3 miles.

The coal measures of the Tokomairiro District have also been examined as regards their relation to the auriferous cements between the Woolshed Creek and Tuapeka, but no new mines have yet been opened in this field. A new mine has been opened at Fernhill, Green Island.

The Kawakawa Coal Mine, at the Bay of Islands, is undergoing steady development, and the coal is rapidly acquiring an established position in the market as a valuable steam coal. A shaft recently sunk has disclosed the existence of two seams, 4 and 9 feet thick, of superior quality, and at a greater depth than any previous workings.

In the Waikato coal field, the company which were working the Kupakupa Mine have opened another mine on the opposite side of the Waikato River, and indications of an improvement in the quality of the coal with increasing depth have also been shown by recent discoveries.