

one of New Zealand's finest bituminous coals, which is of such a high quality for gas-making purposes, while Westport coal is equally good for steam purposes, that either class of coal cannot be surpassed for their respective qualities in any part of the world.

The Collingwood District is perhaps the richest known mineral one in the colony, and it abounds in excellent bituminous coal; but the great difficulty in getting it shipped adds seriously to the cost and prevents it taking a proper place in our markets. Enormous deposits of rich iron-ore are *in situ* almost side by side with large coal-seams, the whole being surrounded with an abundant supply of the finest limestone. The output of coal from this district for last year shows a falling-off of 1,544 tons. I feel sure, however, were a moderate sum of money forthcoming towards the improvement of the Rua Tunewa River and supplying wharfage and shipping accommodation, a very large coal-trade would quickly spring up between Collingwood and Wellington and other ports in proximity.

While making special reference to bituminous coals, Table 10 will show that there was a large increase of output in that class—by 45,812 tons—over the production for the year 1884, and during the same period a reduction in the brown and lignite coals of 13,845 tons. As our bituminous mines become opened out, and their coal finds its way to market, it will most assuredly establish a preference for itself by its enormous heating-power, while its density gives it a lasting power. Of course, it will be evident to every thinking mind that our bituminous coals must soon take up a foremost position in respect to quality, and also in quantity, wherever steam has to be used as the motive-power, and the consumption of our lignite and brown coals will depend chiefly on local requirements for domestic use.

One of the chief difficulties that the proprietors of our bituminous-coal mines have at the present time to contend against, and may have for some time to come, until considerable harbour improvements have been effected, is the high cost of freights which prevents them from competing successfully in foreign markets with the coal companies of New South Wales; but whenever vessels of larger tonnage can be safely employed in our coal-trade the average cost of freight will be reduced, and thus enable the colony to have access to the best markets for the disposal of her finest coal. No doubt a limited quantity of Australian coal will always find its way to our principal ports as ballast in vessels trading with New Zealand; but this source of supply will become too insignificant to injure or retard the progress of an industry which, I believe, will show itself to be, in the near future, the largest and most flourishing that this colony can claim.

WATER-RACES.

Among the many important classes of public works undertaken in the colony, I look upon the construction of water-races, when prudently devised, as paramount to any other. I admit that some of our water-races might, with advantage to the interests of all concerned, have been better laid out and planned, and that much money has been misspent in that direction: at the same time, that does not establish the principle as a bad one of forming and fostering such works. While there are one or two races that have failed to reach expectation as revenue-producers, there are many that have paid a very fair return direct, exclusive of the indirect advantages which they have conferred upon communities as well as upon the State. Large tracts of land in this colony unsuitable for settlement by the agricultural or pastoral settler have been proved to be sufficiently rich in auriferous treasure to pay the miner a satisfactory return for his labour where the necessary supply of water is available to enable him to apply the system of hydraulic sluicing to work the ground; for, as some honourable gentlemen may be aware, under such a system the mineral richness of the ground is not so much the chief factor in producing profitable results as the quantity of water which can be brought to play upon a claim within a given time, so as to manipulate and work the greatest quantity of stuff from the face of a claim in the shortest possible time; therefore, the greater the quantity of water at a useful altitude the more powerful will be the motive-force brought to bear to aid the miner in working his ground.

The races constructed and maintained by, and under the control of, the Government are the Waimea-Kumara, Nelson Creek, Argyle, at Charleston, and Mikonui. There is also the Mount Ida Race, in Otago, which is controlled by a Trust, and to which the State has contributed annually £500 towards maintenance. The direct returns from the three first-mentioned races, although not large, may be considered satisfactory, the net profit being for last year £5,708, and the approximate quantity of gold for the same period obtained by means of these works appears to be 20,198oz., the value of the duty on