

this year may be estimated at £14,000 or £15,000 exclusive of building grants, which last year amounted to £2,178. This year we anticipate an expenditure of £10,000 or £12,000 upon buildings and apparatus. After a few years the grants in aid of buildings and apparatus may be expected to decrease as the need is generally satisfied; while, on the other hand, the grants for capitation and other current items will increase year by year for some time.

GOLD-MINING.

Gold-mining generally is steadily progressing, and, although many companies which were floated more for the purpose of collecting calls from shareholders than for the purpose of winning the precious metal have been and are being wiped out of existence, the yield of gold is increasing. The quantity and value exported for the half-year ended 30th June last was 217,478 oz., valued at £844,888, being an increase of 38,175 oz., valued at £150,029, over the first half of the year 1900, and, as compared with the first half of the year 1899, when the quantity of gold exported for the year was 389,558 oz., valued at £1,513,173, being the highest for twenty-six years previously, the export shows an increase of 24,347 oz., value £94,389. It is not unreasonable, therefore, to expect that the yield for the present year will equal, if not exceed, that for the year 1899.

RIPARIAN RIGHTS.

The scope of the Commission referred to in last year's Statement as having been set up to inquire and report as to claims for compensation in respect to riparian rights and land affected by dredging in Otago and Southland was extended so as to include all rivers in the Middle Island; and the Commission has now concluded its investigations, resulting in reports having been made on forty-six rivers, of which number six have been proclaimed, and compensation amounting to £5,799 13s. 4d. paid. Notices of application to proclaim twenty-four rivers have been issued, but, as the period of ninety days within which claims for compensation can be received has not expired, the total sum that may be claimed is not yet known. On some of the more important rivers on which agricultural lands will be affected by mining, it is feared the individual claims will be large; but, as in many cases the farmers have disposed of the portions of their holdings fronting rivers and streams for dredging purposes, the compensation-claims will have to be considerably reduced before such rivers or streams are proclaimed.

The question of a fair and equitable settlement between the riparian-right holders and the mining community is beset with many difficulties. If, however, a conciliatory spirit is exhibited on both sides, and with the information before the Government resulting from the inquiries of the Commission, it is expected that in most cases the conflicting interests will be adjusted.

STATE COAL-MINES.

The time has arrived when the colony should supply itself with coal. The output at present does not adequately meet the requirements. Private enterprise is not meeting the general and increased demand. The annual consumption of coal for the several branches of the public services amounts to about 115,000 tons. The railways alone require 100,000 tons per year; of this 65,000 tons are hard or bituminous coal. It is estimated that the bituminous coal should be obtained at from 5s. to 7s. 6d. per ton less than we are paying at the present time. For coal delivered for one of the Government steamers at Greymouth we are asked 17s. 6d. a ton, and it is well known that the same coal can be actually, and with profit, put on board at 10s. The inadequate supply and the increasing demand have brought about an undesirable situation. There is a combination of the coal-dealers, and the mine-owners are working in unison with them, the result being that abnormally high prices are charged to the consumers. The effect of opening a State coal-mine will ameliorate, if it does not remove, this evil. In the course of time, and should the necessity therefor arise, we could, in addition to supplying our own State demands, extend the output so as to enable coal to be supplied to householders at reasonable rates.