

of works necessary for pioneer mining. After applications have been reported on by the Government Geologist, or other professional officer, and the Minister of Mines considers the evidence satisfactory, the Colonial Treasurer may, on his recommendation, advance by way of loan to a company any sum or sums not exceeding £10,000, the amount so advanced to be repaid, together with interest at the rate of $4\frac{1}{2}$ per cent. per annum, in instalments. The Colonial Treasurer may also from time to time, on the recommendation of the Minister of Mines, pay to any person engaged in prospecting or pioneer mining a subsidy not exceeding 5s. for every £1 expended during the preceding twelve months; but not more than £500 shall be paid to any one person, nor more than £10,000 in the whole, in any one year.

The provisions of the Act in respect to advances have not yet been availed of to the extent anticipated by the Government; but it is doubtless only necessary for them to become generally known when many persons engaged in pioneer mining will seek to take advantage of the benefits of the Act.

The amount expended last financial year on works for the development of the goldfields was £11,065. It is proposed to take a vote of £33,000 for the current year. Under this heading will be included subsidies towards assisting the deep-level developments at Ross and Thames. These works, which are of great importance, will shortly be put in hand.

Boring for petroleum still continues near New Plymouth, and also near Lake Brunner, on the West Coast. The development of the oil industry is a matter of much consequence to the community, as if oil can be produced in sufficient quantity and of suitable quality to make the enterprise a commercial success the effect on the industrial life of the Dominion would be very marked.

TOURIST AND HEALTH RESORTS.

The expenditure last year amounted to £42,271. The new bath buildings, Rotorua, absorbed £10,568, and the water-supply works at the same place, £14,776. During the year the installation of the electric light in the Department's premises, baths, and Domain at Te Aroha was completed, and a start was made with bringing in the new water-supply at Hanmer.

The accommodation-house, land, &c., at the foot of Lake Te Anau were purchased during the year.

An additional sleeping-room at the Hermitage, Mount Cook, was finished in time for last season's traffic, and in consequence the receipts increased by fifty per cent. over the previous year. The main building is rapidly falling to pieces, and it is proposed to re-erect it in stone, the latter material being very plentiful in the locality, at a cost of between £8,000 and £9,000, and you are being asked for a vote on account.

The electric-light plant at Rotorua has been overtaxed for some time, and tenders are now being called for necessary additions.

The estimates for the current year include £20,000 for the new bath buildings at Rotorua, £4,000 for the Rotorua drainage, and £9,000 for the Rotorua water-works, which sums should complete these undertakings. Provision is also made for needed improvements at Te Aroha, Whakarewarewa, Hanmer, and Mount Cook, and for the cost of the Te Puia Hot Springs accommodation-house, which was recently acquired.

The gross authorisation asked for is £61,233, on account of which a vote of £32,000 is proposed.

TELEGRAPH-EXTENSION.

During the financial year £114,068 was expended on telegraph and telephone extensions.

The new lines erected and under erection totalled no less than 251 miles. Telegraph-offices were opened at 146 townships, while 2,070 new subscribers were added to the telephone-exchange system. It will thus be seen that town and country alike received considerable benefit from the expenditure.

Among the principal telegraph-lines erected were French Pass, Bruce Bay, Otorohanga-Raurimu, Oparau - Te Maika - Te Rauamo, New Plymouth -