

The amount expended last financial year on works for the development of the goldfields was £32,859, and it is proposed to take a vote of £30,000 for the current year. Included in the above expenditure is the amount of the last instalment of the loan to the Muddy Terrace Sluicing Company, to complete the advance of £10,000 agreed upon to assist in the development of their claim at Waikaia. This amount is repayable by yearly instalments, together with interest on the whole of the loan. The first instalment of £1,000 in repayment has already been received.

Provision is made on the estimates for the subsidy of £5,000 promised towards the driving of the proposed deep-level cross-cut at the Thames. The money is hardly likely to be required during the present financial year, but as the subsidy was authorised, subject to the amount being voted by Parliament, an item has been placed on the estimates in order to obtain the requisite authority.

#### TOURIST AND HEALTH RESORTS.

The new bath-buildings at Rotorua were completed, and are now in use. The new high-pressure water-service and drainage-works have been more and more used, £457 and £589 respectively being spent on extensions and new connections. The expenditure on electrical works was only £1,248, the greater portion of which was for preparing the site for the new power-house and the construction of wing-dams to increase the water-power available. Provision is made this year to cover the cost of new machinery, erection, &c. The much-needed new wing to the sanatorium was completed last year, and work on the Whakarewarewa Pa was continued. The track between Lakes Te Anau and Wakatipu is being improved and made easier for visitors to traverse. The total authorisation asked for is £24,545, or £23,378 less than last year, on account of which a vote of £17,550 is proposed.

#### TELEGRAPH EXTENSION.

During the year £163,033 was expended on telegraph and telephone extensions.

The new lines erected and in course of construction totalled 749 miles of poles and 3,311 miles of wire.

One hundred and fifty-three telegraph and telephone offices were opened, and 3,552 new subscribers were added to the telephone-exchange system.

A cable of fourteen miles was laid from Tryphena, Great Barrier Island, to the mainland at Port Charles, thus establishing telephonic communication between the Great Barrier Island and the mainland.

Two cables, having a total length of about four miles and a half, were laid—one across Awarua Bay, and the other between Dog Island and Sandy Point—for the purpose of connecting the Dog Island Lighthouse with the Greenhills telephone line.

Among the principal land lines erected were the following:—Auckland-Hamilton metallic circuit, Auckland-Morrinsville, Auckland-Mangonui (in course of construction), Auckland-Taumarunui (in course of construction), Otorohanga-Raurimu (in course of construction), Napier-Dannevirke metallic circuit, New Plymouth-Opunake metallic circuit, Wellington (underground metallic circuit), Wellington-Levin metallic circuit, Wellington-Pahiatua metallic circuit, Christchurch-Rakaia metallic circuit, Lake Pukaki-Hermitage, Invercargill-Otautau metallic circuit, and Invercargill-Wyndham.

The vote asked for this year is £120,000. This includes £68,837 of liabilities, principally for material under order at the commencement of the financial year.

#### LIGHTHOUSES, HARBOUR-WORKS, AND HARBOUR-DEFENCES.

The lighthouse-works undertaken during the year were the commencement of the erection of a tower for a new first-order light at Cape Brett and the necessary outbuildings and houses for keepers; the erection of an acetylene-gas light at Tuahine Point, near Gisborne; the erection of a fog-signal at Cuvier Island, and the completion of the one at Godley Head. A Pintsch gas-light