

ROADS AND TRACKS.

The expenditure on roads and tracks, constructed by direct grants during the financial year ending the 31st March, 1907, amounted to £37,914 13s. 3d., and by way of subsidies to local bodies £1,055 1s.

ALEXANDRA WATER-RACE.

An extension of this race in the direction of Alexandra for a distance of about four miles is being constructed, and the water will be of much benefit to the miners and settlers in the locality.

GEOLOGICAL SURVEYS.

As planned in my Statement presented to you last Session, during the season of 1906-7 detailed geological surveys were conducted in the Parapara Subdivision of Karamea, Nelson; in the Mikonui Subdivision of North Westland; in the Coromandel Subdivision of Hauraki, Auckland; and in the Cromwell Subdivision of Western Otago. A reconnaissance was also made into the rugged hinterland of South Westland, up the valleys of the Landsborough, Karangarua, and Twain Rivers. It is expected that at least three bulletins, which will give in detail the results obtained by the several surveys, will be published this winter—namely, on the Parapara, Cromwell, and Coromandel Subdivisions.

Next season, 1907-8, it is proposed to carry on detailed observations in the Thames Subdivision of Hauraki, Auckland; in the Whangaroa Subdivision of Hokianga, Auckland; in the Heaphy Subdivision of Karamea, Nelson; and in the Mikonui Subdivision of North Westland. As is well known, the Thames area has long been famous for the richness of its gold-mines, and it is hoped that further careful exploration in this important part of the country may lead to new discoveries of economic importance. The Whangaroa Subdivision presents many features of economic interest, among which may be mentioned the copper-bearing country stretching southward from the Township of Whangaroa. Most of the Heaphy Subdivision is quite unexplored, and it is thought that deposits of economic minerals may be found in this area.

DIAMOND DRILLS.

The three diamond drills purchased by the High Commissioner are now in the colony. These drills have a boring-capacity of 2,500 ft., 1,500 ft., and 1,000 ft. One of the drills has been fitted up at the Point Elizabeth State Colliery, in order to ascertain definitely the approximate cost of working. Conditions have been drawn up and sent out to the various applicants for the drills, which are to be allotted according to priority of applications, provided the users are prepared to enter into an agreement with the Government in accordance with the conditions laid down by the Department.

DEPARTMENTAL.

The work of the departmental officers throughout the colony has been carried on in a satisfactory manner. Consequent on the inauguration of the State coal-mines, the opening of coal-depots, and the increased work of the Geological Survey, the duties of the staff at the Head Office have considerably increased during the past few years.

The publication of the *New Zealand Mines Record* has been continued by the Secretary of the Mining Bureau, who also edited the "Mining Handbook" which was issued at the end of last year.

Mr. Alexander MacDougall, managing agent for the State coal-mines, having attained the age limit, retired. Mr. W. C. Gasquoine, who was manager of the depot in Wellington, and who has had considerable experience in the coal trade, has been appointed to the dual position.

Mr. James Fletcher, a highly capable mine-manager, has been placed in charge of the Seddonville State Coal-mine.