

STATE COLLIERIES.

Operations at the State collieries continue to be satisfactory. The output of coal for the year 1908 amounted to 289,481 tons, being an increase of 48,708 tons compared with the output of the previous year. At the Seddonville mine a considerable improvement has taken place both as regards the quality of the coal mined and the quantity obtained. A new section of the Point Elizabeth Colliery is being laid down near the head of Seven-mile Creek, and a short extension of the railway, a little over three miles in length, to connect the mine with the Government line, is now being constructed. The incline tramway from the mine to the bins is also being laid, and the erection of the storage-bins will be undertaken during the year. Preparations for the development of the new area of this colliery are now well advanced, and I anticipate that coal from this section of the mine will be placed on the market within the next eighteen months.

KAURI-GUM.

The export of kauri-gum for the year 1908 was 5,530 tons, valued at £372,798, being a decline in production of 3,178 tons, and in value amounting to £207,090.

OTHER MINERALS.

There has been no important development during the past year with regard to the other minerals existing in this Dominion. Energetic prospecting for mineral oil has, however, been carried on in the Taranaki, Gisborne, and Lake Brunner districts. Little or no progress has been made towards the development of antimony and copper ores in different parts of New Zealand, while the export of scheelite has declined in value by £9,431 as compared with the previous year's output.

The development of the extensive deposits of iron-ore at Parapara, in the Collingwood district, and of ironsand along the Taranaki coast, is still in suspense; but I am pleased to inform honourable members that these vast sources of wealth are attracting the attention of capitalists, and that the negotiations which have been in progress for their development may soon be brought to a successful conclusion.

SCHOOLS OF MINES.

Including the grants made to the School of Mines in connection with the Otago University at Dunedin, the expenditure on behalf of these institutions during the past year amounted to £3,809 9s. 8d., and the aggregate expenditure since their inception totals £41,358 2s. 10d. Ninety-one students of the schools presented themselves at the annual examination conducted by the Mines Department.

During the past year free circulating libraries of standard mining literature were established by the Mines Department at all the various schools, and a modern slimes-treatment plant was installed at the Thames School. At Westport a commodious and substantially built school is in course of erection.

GEOLOGICAL SURVEY.

The work of the Geological branch of the Department has been carried on during the year in accordance with the programme arranged by the Director at the beginning of last season, and a considerable area of country has been traversed. The annual report and the bulletins, which are now in the hands of the Printer, furnish full details of the field surveys and general geological work that have been carried out, and contain a large amount of information that will be of interest to the mining community.

Owing to important geological surveys being urgently required in different parts of the Dominion, a large increase in the staff and, consequently, in the expenditure on this branch of the Mines Department has taken place during the last two or three years, but, as these surveys approached completion, a considerable reduction has been made in the number of officers and in travelling and other expenses without impairing the effectiveness of the work or reducing