

vernment has assisted those who endeavoured to help themselves, by granting subsidies on the amounts provided by means of loans. Much of the road-construction work now in progress is in localities remote from the larger settlements, and in many places the climatic conditions and uncertainty of obtaining regular food-supplies make it difficult to keep the works manned during the winter months.

IRRIGATION.

Satisfactory progress has been made with the development of the scheme for irrigating the lands in Central Otago, the productive power of which has deteriorated during a succession of years of insufficient rainfall. Surveys recently completed show that a large area of fertile land in the Ida Valley can be irrigated by gravitation at an annual cost to the landholders which would be returned many times over by the increase in the productive power resulting from bringing in an abundant water-supply. The scheme is a very promising one, but the co-operation of the settlers is required, and the Government is now placing definite proposals before them that should enlist their interest and permit of the enterprise being brought into successful operation. The irrigation of other areas in Central Otago is also proposed, and much necessary survey work in connection therewith has been undertaken. There is good reason to believe that in many places where the natural conditions are favourable, irrigation would be practicable and successful from an economic point of view, and would be the means of restoring prosperity to this old-settled district.

MINING.

The output of minerals for the year shows a slight decrease over that of the previous year. This decrease in other minerals is balanced by a large increase in the production of coal, so that the total value of the output of the underground wealth of the Dominion shows an increase for the year. The decrease in the production of gold and silver is largely attributable to the restricted operations of the Waihi Gold-mining Company, but it is hoped that the check is only temporary, and that when the cheap power from the Horahora Falls is available the company will be in a position to profitably treat low-grade ores, which at present are of no value.

New Zealand is not solitary in showing a decreased yield of gold, as most of the Australian States also show decreases. Notwithstanding the decrease the mines are showing well, and the year under review witnessed considerable improvements in some and a brightening in the prospects of others. There is every justification for regarding the future with confidence, and for recording the conviction that with fair encouragement in the work of development an even more prosperous era than the industry has yet experienced is dawning.

One mineral that shows a large increase in production is scheelite, which is being actively mined in Central Otago, also at Wairau Valley, in the Marlborough District. The driving of the deep-level crosscut at the Thames is being actively carried on, and the striking of good prospects in the course of the work encourages the hope that favourable anticipations will be realized.

The production of coal continues to increase, and for the first time in the history of the Dominion the two-million-tons mark has been passed, 2,197,362 tons having been produced, as against 1,911,247 tons for the previous year.

AGRICULTURE.

The year has shown very gratifying progress in the work of the Department of Agriculture. This progress is very marked both in the activities of the Department and in the greater interest displayed in its undertakings by the agricultural community. The all-important dairy industry has received particular attention, with the object of increasing the profit to the farmer, and to assure a still higher quality of the products of that industry, butter and cheese. Of these, the herd-testing associations are being highly appreciated by the farmer. They have become more than popular. The demand for the establishment of these associations is in excess of the capacity of the staff of the Division available for that purpose. These testing associations have demonstrated most remarkably the difference between the profitable and the unprofitable cow. These have been revelations to even the most skillful of the farmers who are