Having only been for such a short portion of the year in the service of the Department, my report is naturally brief, and, as I have had no legalized power to collect data, the figures given in the attached table with regard to output are as correct as I could get them under the circumstances.

The exceptionally severe weather conditions prevailing through a great portion of the year have materially affected quarrying-work. A shortage of suitable labour, esulting from war conditions, has also greatly interfered with operations. Nevertheless, as will be seen from the table, a large amount of work has been carried out, and considerable numbers of men have been employed.

Since I entered on my duties on the 1st September, 1916, I have made a personal inspection of the greater proportion of the quarries. I found that, in general, the managers do not seem to be well acquainted with the provisions of the Act, and that the provisions have not been closely observed. In the working of the quarries there has been a great tendency to create high vertical and, in cases, overhanging faces. Most of the quarries are worked by contract parties, whose plan of action is to break out what stone they need as cheaply as possible, and without proper regard to safety. is evaded because it means delay and expense without apparent financial return, and benching is avoided by reason of the extra labour it entails. I found few quarries suitably benched, or with the tops cleared back sufficiently. In the handling of explosives considerable carelessness was evident, in some cases detonators being stored with explosives, and in many cases explosives were carried into the quarry either in the hand or in open packets instead of in covered cases or canisters.

The proper observation of section 8, subsections (1) and (2), relating to the notification to an

Inspector under the Act of the renewal or discontinuance of work, is not general.

In the course of my inspection I found many quarries in which explosives are used, but which, owing to the face being below 20 ft. in height, do not come under the Stone-quarries Act, and have not been included in the number of quarries given in the table. One such quarry had fourteen men employed, and considerable blasting was done. I recommend that all such quarries be brought under the Act, so that the men employed in them may be protected.

Many other places, such as scoria-pits, pebble-beds, and friable rock faces, at times greatly exceed 100 ft. in height, and are not worked in a satisfactory manner, but owing to the fact that explosives are not used in them they do not come under the Act. These quarries also, if they exceed a certain height of face—say, 20 ft.—should, I consider, be brought under the Act.

The use of water for laying dust arising from drilling or rock-crushing operations has only been adopted to a limited extent in quarries, but, I think, will gradually become more general. The dust in many cases must be very injurious to the workmen.

Sufficient ropes have been provided in nearly all cases, but the managers find it difficult to get

the men to use them properly by securing them to their bodies when working on ledges.

As will be seen from the table, the greater portion of the quarrying-work has been in connection with the supply of road-metal and ballast. There has, however, been a considerable amount of harbour-work carried out, especially at Auckland. The agricultural-lime and the cement industries have been fairly active, and their output should materially increase in the future. No less than three operators supplying agricultural lime are installing new machinery, which will greatly increase their capacity; and at Mangapai, near Whangarei, the large mill of the Dominion Cement Company is nearing completion.

VII. STATE AID TO MINING.

(1.) Subsidized Prospecting.

During the year ended 31st March, 1917, seventeen approved prospecting parties were granted subsidies amounting to £6,506 13s. 4d., of which £5,353 13s. 4d. was expended during that period. In addition to this, £1,419 9s. 1d. granted during previous years was expended by twenty-four parties during the past financial year.

The following statement shows the total expenditure during the year ended 31st March, 1917, on authorities issued previous to that date, in subsidies to prospecting associations and parties of miners

in the different counties:-

				Exp	Expenditure.		
				£	s.	d.	
Coromandel County		 	 	 154	5	0	
Ohinemuri County		 	 	 43	5	0	
Pelorus Road Board		 	 	 368	10	0	
Takaka County		 	 	 78	0	0	
Inangahua County		 	 	 119	12	0	
Murchison County		 	 	 12	0	0	
Buller County		 	 	 163	6	8	
Westland County		 	 	 271	15	6	
Ross Borough		 	 	 3	0	0	
Prospecting association	ons, &c.	 • •	 	 5,559	8	3	
Total				6 773	2	5	

Upon the above operations and those previously subsidized, altogether twenty-two parties, employing sixty-seven persons, have during 1916 been engaged, but nothing of importance to the mining industry has been discovered; and I regret to report that with the solitary exception of the discovery of the Blackwater lode during 1905 by subsidized prospectors, I have not been able to record any discovery of importance as the result of subsidized prospecting,