

PRESERVATION INLET.

Gold has been got in a good many places in this locality, Wilson's River, Coal Island, Crayfish Island, and on the main land between Preservation and Chalky Inlets. During the last year some prospecting parties were out in the ranges between Chalky Inlet and the head of Dusky Sound, but although gold was found in several places, it was not in sufficient quantities to pay for working. Very little, however, is known about this part of the country, and it has heretofore been looked on as a *terra incognita*. The rough and broken nature of the land, which is as yet unopened by tracks, together with the moist climate, have prevented prospecting being carried on for any great distance back from the different bays of the inlets, where provisions and tools can be taken by boats.

The quantity of gold obtained from the goldfields of Otago last year was 76,393oz., having a value of £308,070, while the total production since the field was opened was 5,130,985oz., representing a value of £20,283,482.

COAL-MINING.

The coal-mining industry is steadily increasing, but, as mentioned in my last statement, the output from the mines depends entirely on the consumption within the colony. No foreign market has yet been found as an outlet for our coal, and until coal can be disposed of outside the colony, we cannot expect a large increase in the output from the mines. Although there are a large number of mines opened up, the class of coal suitable for export is confined to very few of them. The best bituminous coal-mines are restricted to the west coast of the Middle Island. The other mines from which coal can be got suitable for marine purposes are at Hikurangi, Kawakawa, and Ngunguru, in the northern portion of the Auckland Province, but the coal from these mines is decidedly inferior to the bituminous coal found in the Middle Island. The coal from the Waikato mines, and also from the mines in Canterbury and Otago, is only suitable for household purposes and local industrial consumption. The West Coast must, therefore, be looked on as the only place where mines are as yet opened from which coal can be obtained to supply foreign markets.

The total output from the mines of the colony last year was 719,546 tons, while for the former year it was 691,548 tons. This shows an increase in the output last year of 27,998 tons. The coal imported last year amounted to 112,961 tons, as against 117,444 tons for the previous year,—a decrease last year of 4,483 tons. Of the coal imported, 2,079 tons came from the United Kingdom, 110,180 tons from New South Wales, 701 tons from Queensland, and 1 ton from Victoria. The total quantity exported was 79,943 tons, of which 75,004 tons was from New Zealand mines, and the balance from coal imported from other countries. Of the quantity exported, 54,494 tons was used in coaling direct steamers leaving for the United Kingdom, and accordingly may be treated as consumption within the colony, as the employment of these steamers depends entirely on the growth of traffic springing up between New Zealand and the Home-country. Therefore, on this basis, the consumption of coal within the colony last year should be reckoned as 807,058 tons, as against 784,704 tons for the previous year—an increased consumption of 22,354 tons, which, I think, indicates the steady growth of other industries.

Taking the quantity of coal imported last year, the following will show the ports the coal was delivered at—namely: Auckland, 27,798 tons; Wellington, 15,542 tons; Christchurch, 37,172 tons; Dunedin, 6,063 tons; Napier, 5,573 tons; Nelson, 519 tons; Invercargill, 1,245 tons; Wanganui, 1,976 tons; Timaru, 7,996 tons; Oamaru, 2,562 tons; Poverty Bay, 1,144 tons; New Plymouth, 123 tons; Picton, 687 tons; and Kaipara, 1,780 tons.

Taking the different classes of coal produced last year, there were 418,895 tons of bituminous coal, 102,389 tons of pitch coal, 170,825 tons of brown coal, and 27,753 tons of lignite. The increased production last year was 37,688 tons of bituminous coal, 14,661 tons of brown coal, and 4,331 tons of lignite, while there was a decrease in the production of pitch coal of 28,682 tons.

The mines with the largest output were: The Westport Colliery, 215,770 tons; Brunner, 121,185 tons; Kaitangata, 67,091 tons; Taupiri Extended,