

During the season coal deposits at Cabbage Bay and on Moehau Mountain were examined, but, though the coal is of high quality, the seams are too thin to be worked.

The discovery of gold in the district south of Gumtown, to which I have already referred, led to an examination of the Upper Rangihau and Kapowai Rivers, where a few claims were yielding phenomenal results from surface workings in a kind of rock not usually regarded as gold-bearing. The geologist (Mr. McKay) reports that the three claims obtaining rich gold show the walls of the lodes to be rhyolite, and, as this rock is extensively developed on the east side of the Peninsula, like discoveries in other parts are to be expected.

Recent discoveries of coal between Pakawhau Inlet and Cape Farewell were examined and reported on. Hitherto but thin seams of bituminous coal have been worked at Pakawhau and near Collingwood, but the existence of an 8 ft. seam of glance coal of high quality has been proved to exist in the vicinity of Puponga Inlet, and the tracing of this, it is hoped, will lead to other discoveries in the district to the south-west, in which direction the coal measures extend.

#### COAL-MINING.

The gross output for the year ending the 31st December, 1899, was 975,234 tons, this being an increase of 68,201 tons as compared with the year 1898. In the North Island the coal output shows a falling-off amounting to 7,262 tons, but that of the Middle Island is increased by 75,463 tons.

So far as coal-mining in the North Island is concerned, the most important centre is at Taupiri, where several interests have lately been consolidated. The output from these mines for 1899 was 66,966 tons, the production of the Hikurangi Coal Company being next in order with 34,037 tons. Ten other mines are at work, but with two exceptions their output is very small.

The principal mines in the West Coast District are those of the Westport Coal Company (Limited), from which the output last year was 327,931 tons, or rather more than one-third of the entire production of the colony. The Brunner and Blackball Mines are next in importance, the output from these mines for last year being 96,511 tons and 58,136 tons respectively. From sundry causes the Westport-Cardiff Coal Company found it necessary to cease operations about the end of September last, and the property has lately been taken over by the Government for royalties and other charges owing. At the latter end of January it was discovered that a portion of the mine was on fire, and steps were at once taken by the company to keep this under control as much as possible. The necessary supervision has been continued by the Government, and from recent advices I am pleased to be able to state that only a very limited area of coal of commercial value is likely to be lost, that portion of the mine in which the fire occurred being already practically worked out.

Some attention is being devoted to the coal deposits in the locality of Collingwood, and, as it may eventually become necessary to expend considerable sums of money in making the necessary provisions for getting this coal to a market, the question of a systematic development of the field there is one which will demand careful consideration, and must largely influence the granting or refusal of applications for leases.

In Otago, the Kaitangata Collieries rank first in order as producers, the output for 1899 being 111,510 tons. Shag Point Colliery is second in point of output, which is practically equalled by that of the Nightcaps Colliery, in Southland.

Throughout Otago and Southland there are a large number of small mines working brown coal and lignite for local consumption, and, having in view the future requirements of the gold-dredging industry as regards its coal supply, considerable care will have to be exercised in respect to the granting of licenses or leases to mine coal on Crown lands, in order that the proper and efficient working of the coal deposits may be secured, and the reasonable demands for fuel in each locality adequately met.

Owing to the growing demand for coal throughout the world, and recent dislocation of shipping arrangements with New South Wales in consequence of