

collateral advantages will much more than compensate therefor. I hope the day is not far distant when the present waste will cease, and good profits be secured to the fruit-growers of our colony.

FORESTS AND PLANTATIONS.

As announced in the last Financial Statement, the officers of the Lands and Forest Department have given special attention to the conservation of the indigenous forests of the colony, and to the disposal of milling timber and other products. Additional areas of forest lands have been selected by the Commissioners of Crown Lands in various land districts, to be duly reserved as soon as the necessary explorations and surveys are sufficiently advanced.

During the year 18,046 acres were gazetted, bringing up the total area set apart and gazetted to 2,570,113 acres. The gross revenue from the sale of timber and other products amounted to £15,916 6s. 10d., of which £12,045 12s. was transferred to Territorial Account. The sum now standing to the credit of the State Forests Account is over £31,000.

The total expenditure upon the State forests and also upon the nurseries, and the various services rendered to other departments and local bodies, amounted to £11,018.

It is proposed to approve of considerable increase in the expenditure for the current year, to defray the cost of freehold lands acquired for extension of nurseries and planting operations, especially in the vicinity of Waiotapu (in the Rotorua district), one near Kamo (Whangarei district), one Duingree (Marlborough), one Hammer (Canterbury), and one Tapanui (Otago), where areas are being fenced in and prepared for planting with selected trees suitable for replacing in some measure the waning indigenous timber-supplies of the colony.

GOLD-MINING.

This industry is steadily increasing, and I am pleased to be able to state that, notwithstanding the decreased yield from some of the quartz-mines referred to last year, the returns from this class of mining for the past year show a considerable increase.

The yields from alluvial mining and gold-dredging also continue to increase.

The total export of gold for the year 1902 amounted to 507,858 oz., valued at £1,951,426, being the highest for any year since 1873. The figures for the seven months of 1903 show an increase of 33,647 oz., valued at £120,355, as compared with the corresponding period of 1902. It is therefore fair to assume that the twelve months' export will exceed £2,000,000, a position not reached since 1871.

The opportunity was taken of the forced sale by the law-courts to purchase the machinery and pumping plant at the Thames belonging to the Thames-Hauraki Goldfields (Limited), and the Government are now the owners of the property. Had this plant not been acquired by the Government as a whole it would have been dispersed, and the object for which the extensive pumping machinery was erected would have been frustrated. This would, in all probability, have resulted in the operations for prospecting for gold at the lower levels at the Thames being for all time abandoned.

STATE COAL-MINES.

The development of the Seddonville State Coal-mine and the mine at Coal Creek is rapidly approaching completion, and by the end of the year it is anticipated that coal will be put on the market. The outlook is very cheering, and the quality of the coal exceedingly good, whilst the quantity, especially at Coal Creek, far exceeds anticipations, and the easy and inexpensive method of working the same will enable, if thought desirable, the coal to be sold at much less than the prices now ruling. A matter that requires to be considered is the transit by steamers to the several markets, and unless private enterprise provides steamer freights at low rates Government may be compelled to have their own steamers.