

ADVANCES TO SETTLERS.

The Government Advances to Settlers Office was established by the Act of last session for the purpose of relieving the settlers to whom the high rates of interest for loans on the mortgage of land, with the heavy incidental expenses, had become burdensome, and of thus removing an obstruction to the progress of the colony. And such has been the fall by which the passage of the Act has been followed in the rates of interest on private mortgages generally, that this result alone may be said to have more than justified the measure. A low rate of interest encourages improvements, fosters industries, and increases the avenues for employment.

The total applications to the 30th June, dealt with by the Board, were 1,552, for £559,855; and, of these, 965 were granted for loans amounting to £354,907.

I attach to the Budget a detailed statement, which will be of interest to honourable members.

The advances have, it is believed, been authorised with prudence, and a due regard for the public safety. At the same time, it must be apparent that amongst the many hundred applicants for loans there will be found some who consider themselves aggrieved, when their applications are either declined or the amount offered by the Board is, in their opinion, not nearly commensurate with the value of the security offered. Such complaints as these are sure to arise in dealing with a large business of the character which the colony has now undertaken; but I am convinced that time will prove the wisdom of the course pursued by the Board.

In the early stages of the administration of this measure—the first of its kind in this country—there were delays inseparable from that period of necessarily careful consideration as to the steps which should be taken in an untrodden course. But the difficulties have been overcome, and now, as soon as the applications are received with the required valuation-fees, and are found to be in order, every effort is made to have the valuations effected and the applications considered with the least possible delay.

For the consideration of the applications for advances, the values of the relative securities are estimated by trustworthy men, and these estimates are reviewed by chief valuers specially appointed for the purpose.

MINING INDUSTRY.

The outlook on the goldfields of the colony is very promising indeed. A very large amount of foreign capital has been invested in the mines on the northern fields, and this is extending to the quartz-mines on the West Coast. The dredging operations in the rivers in Otago have proved very profitable. Generally the progress of the mining industry and the numerous inquiries now being made for auriferous areas throughout the colony, together with the large capital already invested in the industry, demand that greater facilities than at present exist should be afforded towards prospecting localities in some of which scarcely any mining work has yet been done, while others may be considered to have not been even explored.

With the view, accordingly, of affording encouragement for the expenditure of capital on mining in outlying districts, it is proposed to introduce a Bill to provide for granting areas for a limited time to persons with sufficient capital to enable them to carry on prospecting operations on a large scale.

It is also proposed to increase the subsidy payable to individual prospectors under the existing regulations, in order to encourage mining associations and local bodies to send out prospecting parties in their respective districts.

Owing to the provision made last session for prospecting deep levels, negotiations are now almost complete for testing the ground at the Thames to a depth of 2,000ft. The encouraging results which have been obtained at the deepest workings in the Reefton and Coromandel districts tend to justify reasonable expectations that rich auriferous lodes will be found at greater depths than have hitherto been worked in this colony.