

STATE AID TO MINING.

(a) MINES DEPARTMENT.

As in previous years, considerable use was made of the Government prospecting-drills. They were hired by eleven parties, and a total of 14,072 ft. was drilled.

The sum of £9,200 was voted for expenditure for assistance towards prospecting. The balance of unexpended authorities at the 31st March, 1938, and those issued during the year, less cancellations, amounted to £14,998 7s. 8d. Of this amount £3,730 3s. 2d. was expended by way of actual subsidies during the year, leaving a balance of £11,268 4s. 6d. authorized but not spent at the 31st March, 1939. The number of men given employment through the subsidies granted by the Mines Department was 53.

The increased amounts available during the past two years enabled the Department to arrange with the Labour Department to prospect areas in the Reefton and South Westland Districts. This prospecting is now being carried out by parties of men under skilled direction. The cost is being shared by the two Departments, and the sum of £4,563 1s. 8d., in addition to the amount of £14,998 7s. 8d. authorized by way of subsidies, was set aside out of the Mines Department's vote, of which £4,249 2s. 7d. came to charge during the year. The number of prospectors in these parties is 27.

Provision totalling £5,230, including £4,230 in the Public Works Fund, was made for expenditure by way of direct grants and subsidies for roads and tracks. The balance of the unexpended authorities at the 31st March, 1938, and those issued during the year, amount to £6,009 3s. 4d. Of this amount, the sum of £5,220 12s. 3d. was expended.

The expenditure on Schools of Mines amounted to £3,460.

(b) LABOUR DEPARTMENT.

For the financial year ended the 31st March, 1939, expenditure from the Employment Promotion Fund for the purpose of assisting individual gold-prospectors and the gold-mining industry generally amounted to £50,271, which sum includes all payments made in respect of subsidies, wages, and equipment connected with the Labour Department's ordinary gold-mining scheme, but does not include salaries and allowances paid to mining engineers and supervisors. Subsidies paid to gold-mining companies and syndicates under Scheme No. 8B during the year amounted to £302, but this expenditure was offset by refunds of previous advances amounting to £316.

In addition to the above expenditure, a sum of £13,752 was advanced to gold-mining companies by way of loans, such advances being secured by bills of sale or other chattels security over the plant and mining titles of the companies concerned.

The average number of men engaged in gold-prospecting work under the Department's subsidized gold-mining scheme during the year was 477, excluding those employed by companies and syndicates. This is a decrease of nearly 50 per cent. as compared with the figure for the previous twelve months, and is due to the fact that considerable numbers of previously subsidized prospectors have continued to be absorbed into public works and private industry.

Gold won by subsidized prospectors during the year, apart from that produced by subsidized companies and syndicates, was approximately 3,350 oz., bringing the total gold-production for this class of prospector from the inception of the gold-mining scheme to the 31st March, 1939, up to approximately 42,850 oz. The amount of gold produced by subsidized men for the year compares very favourably with that of the preceding year, when an average of 887 prospectors won approximately 4,500 oz.

The general prospecting and investigation of the Reefton Goldfields which was commenced in 1936 has been continued during the year, this work, for the most part being confined to the opening-up and extension of old workings and further driving and crosscutting in the Perseverance and Golden Treasure Mines. Expenditure for the twelve months ended 31st March, 1939, on this undertaking amounted to £7,661, making the total expenditure to that date £17,756, which has been contributed equally by the Mines and Labour Departments.