

amount of £15,500, upon the security of their mines and equipment. It is satisfactory to state that the repayments of loan-instalments have hitherto been punctual, and the amount of interest in arrears is very small. In one case the results have been satisfactory both to the owners and to the mining industry, for by means of the loan a productive alluvial gold-mine has been developed, and employment given to a number of persons, who absorb about £5,000 per annum in wages. In another case a small undertaking was assisted to introduce a somewhat novel method of alluvial mining, and the result attained has enabled the borrowers to refund a considerable proportion of the money lent before it became due. In the third case—viz., that of a deep quartz-mine—owing to the work not being sufficiently advanced it is premature to express an opinion.

The experience, however, in the Australian States regarding mining loans has been very unsatisfactory, losses having almost invariably resulted, owing doubtless to advances having been made without adequate investigation. In New Zealand, however, it is required that the Government mining advisers shall, after personal examination, report upon the application, stating specially if there is a reasonable probability of the proposed mining operations proving remunerative, and giving reasons for such opinion. The Board constituted to report to the Minister upon such applications consists of four officers, but, owing to the difficulty in bringing that number together to inspect properties in remote places, it is proposed to reduce the Board to three members—viz., the Inspecting Engineer of Mines, the Inspector of Mines for the district to which the application relates, and one other person to be appointed by the Minister of Mines as the necessity arises.

ROADS AND TRACKS ON GOLDFIELDS.

The necessity of opening up remote and hitherto inaccessible districts in which workable minerals have been, or are likely to be, found is fully appreciated by the Government. The expenditure on roads and tracks constructed by subsidies and direct grants during the financial year ended the 31st March, 1913, amounted to £36,761 3s. 4d. The annual expenditure by the Mines Department upon roads and tracks is therefore considerable, when to direct grants and subsidies are added the goldfields revenue and gold duty, which are credited to local bodies each year. During 1911 this assistance amounted to £27,552 goldfields revenue and £26,197 gold duty, and during 1912 to £16,185 goldfields revenue and £17,874 gold duty. With the completion of most of the necessary roads and tracks to open up mineral lands the time has now arrived when local bodies should provide for the maintenance of the existing roads out of the goldfields revenue and gold duty with which they are credited by the Government, or from their local revenue.

GOVERNMENT PROSPECTING-DRILLS.

There has been a considerable demand for the Government diamond drills, of which there are four in commission, and for the two Keystone placer drills, and the results obtained have in all cases been conclusive. This form of State aid to mining has been entirely successful, as small parties of miners as well as substantial companies have had lent to them, free of charge, modern drilling equipment by which a fair estimate of the mineral contents of their property may be made at the cost only of the wages, repairs, and material used. The drills have been utilized in prospecting for lodes, coal-seams, and auriferous alluvium. During the year 156 holes of an aggregate depth of 6,670 ft. were drilled by two Keystone drills in alluvial gravel, and three holes of an aggregate depth of 1,158 ft. were drilled in search of coal.

DEEP-MINING EXPLORATION.

For the purpose of finally solving the problem as to the existence or non-existence of ore below the impoverished zone at the Thames Goldfield, from above which zone gold to the value of several millions of pounds has been won during past years, an agreement was entered into during 1910 between the Government and the