

## VII. STATE AID TO MINING.

## (1.) SUBSIDIZED PROSPECTING.

During the year ended the 31st March, 1914, forty-two approved prospecting parties were granted subsidies amounting to £4,381 8s., of which £756 10s. 9d. was expended during that year. In addition to which £3,439 14s. 2d., granted during previous years, was expended by thirty-two parties during the past financial year.

The results obtained by subsidized prospectors is contained in the Reports of Inspectors of Mines (Annexure A hereto), but it is to be regretted that, as in former years, no discoveries of importance have been made, and the mining industry has not benefited. In a few cases small parties have found fair prospects in known goldfields.

The principal grant was that made to the Hauraki Prospecting and Miners' Association of £1,000, on a basis of a £2 subsidy for every £3 expended in prospecting. Three parties have recently been equipped and sent respectively to the Mahikirau, Waihi-Whangamata, and Thames-Tairua districts of the Hauraki Goldfields to prospect ground considered favourable by the officers of the Geological Survey of New Zealand.

The following statement shows the total expenditure during the year ended 31st March, 1914, on authorities issued previous to that date, in subsidies to prospecting associations and parties of miners in the different counties:—

| Name of County, &c.           | Expenditure. |    |    |
|-------------------------------|--------------|----|----|
|                               | £            | s. | d. |
| Whangarei County              | 70           | 0  | 0  |
| Coromandel County             | 193          | 16 | 0  |
| Thames County                 | 197          | 15 | 0  |
| Ohinemuri County              | 420          | 14 | 4  |
| Takaka County                 | 14           | 0  | 0  |
| Inangahua County              | 547          | 3  | 6  |
| Murchison County              | 34           | 13 | 4  |
| Grey County                   | 176          | 0  | 0  |
| Westland County               | 1,684        | 16 | 1  |
| Ross Borough                  | 50           | 12 | 6  |
| Southland County              | 29           | 9  | 9  |
| Prospecting Associations, &c. | 777          | 4  | 5  |
|                               | <hr/>        |    |    |
|                               | £4,196       | 4  | 11 |

## (2.) LOANS FOR THE DEVELOPMENT OF MINING.

Since 1905, when statutory provision was made for advances by way of loans for mining development, five companies have been assisted by grants of loans aggregating £32,725, of which £20,600 has been paid by the Government as the mining operations have proceeded and in accordance with the conditions upon which such loans were granted.

A considerable proportion of the forty-six applications for loans have been refused on the grounds of inadequate prospects of success.

It cannot be stated that there is any evidence that the mining industry has yet benefited by these loans, there may have been collateral benefits, but no company so assisted has paid a dividend. In two cases—initialled "D" and "E" in the statement hereunder—however, the developments for which the loan was granted are not yet completed, and it is premature to pronounce thereon; but in case "A" the company has failed to pay some interest due on the loan or the rent on its lease; in case "C" the loan was refunded without the venture proving successful; and in the remaining case "B," the company, having failed to pay some interest due on its loan, was fortunate in having the same capitalized and added to the original loan.

The provision regarding mining loans is taken advantage of by mining promoters who are unable to obtain subscribers for their shares, to make up shortage of capital on the extremely favourable terms—viz., bearing interest of 4½ per cent.—which the Government offers. It is perhaps unnecessary to state that such speculations, to which the investing public are not responsive, have frequently very remote prospects of success.

The granting of mining loans in New South Wales and Victoria generally proved a failure.