Advances by way of loan of a sum not exceeding £20,000 may also be made by the Government to any company or person for carrying on mining operations, purchasing mining machinery, and for carrying on coal-mining, including the purchase of plant, and the construction of roads and railway-lines thereto.

In order to encourage the production of quicksilver the Government recently revived the offer of a bonus of 4d. per pound for the first 100,000 lb. of marketable retorted quicksilver free from impurities produced from any mine in New Zealand. It is hoped that with this assistance those engaged in mining for quicksilver will be able to produce a sufficient quantity of quicksilver to entitle them to payment of the bonus offered.

In addition to granting assistance in the above directions, applications for remission or reduction in rentals have been granted in all cases where, upon inquiry, it was found advisable in the public interest to grant such relief.

Legislation will also be introduced this session reviving the bonus provisions of the Iron and Steel Industries Act, 1914. In addition to this, arrangements are being made to obtain 20 tons of ironsand from Taranaki and 20 tons of iron-ore from Parapara for the purpose of shipping the same to England, where a test will be made under a new process to determine whether or not it is possible to produce iron on a commercial scale in New Zealand. This test will be made under the oversight of one of the recognized iron and steel experts in England, who will be required in due course to report upon the results to the Government.

Since the 19th September, 1919, the Government has been negotiating, through the High Commissioner, with the British Admiralty for the purpose of entering into an arrangement with the British Government in connection with the boring and development of mineral oil and other products in New Zealand, but up to the present time no agreement has been entered into.

I have deemed it necessary to briefly refer to these matters, because it does not appear to be generally known what may be and is being done for the encouragement of mining in the Dominion.

Honourable members will regret to learn that, owing to the scarcity of labour, to increased wages, and to the higher prices demanded for all plant and stores used in mining, there has been a decrease in the production of metals during the year 1919.

The usual official and statistical information invariably contained in the Mines Statement is given hereunder:—

MINERAL-PRODUCTION.

The following table shows the quantity and value of gold, silver, and other minerals, coal, and kauri-gum exported during the years 1918 and 1919, also the quantity of native coal consumed in the Dominion for the same period:—

Product.	Year ended 31st December, 1918. Quantity.	Year ended 31st December, 1918. Value.	Year ended 31st December, 1919. Quantity.	Year ended 31st December, 1919. Value.
		£		£
Gold ...	11,987 oz.	42,391	320,210 oz.	1,334,405
Silver ...	879,383 „	171,456	453,567 „	103,037
Quicksilver ...	4½ „	2,122	8⅜ tons	4,619
Tungsten-ore ...	170 tons	37,922	131 „	29,489
Mixed minerals ...	2,300 „	5,882	1,091 „	4,051
New Zealand coal exported ...	182,603 „	227,228	138,174 „	201,383
New Zealand coal used in New Zealand	1,851,647 „	2,303,449	1,709,674 „	2,491,780
Kauri-gum ...	2,419 „	157,313	4,128 „	255,812
Coke ...	70 „	146	45 „	113

Total value for 1918 .. .. £2,947,909
Total value for 1919 .. .. £4,424,689

This increase is largely due to the fact that 157,623 oz. of gold entered for export in 1918 was not exported till 1919.