

the sum of £6,070 3s. 7d., in addition to the amount of £9,712 16s. 10d. authorized by way of subsidies, was set aside out of the Mines Department's vote, of which £4,525 4s. 1d. came to charge during the year. The number of prospectors in these parties is thirty-eight.

Provision totalling £16,630, including £15,630 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, 1937, and those issued during the year, amount to £16,952 7s. 11d. Of this amount, the sum of £16,869 2s. 7d. was expended.

The expenditure on Schools of Mines amounted to £3,910.

(b) LABOUR DEPARTMENT.

Expenditure for the year ended the 31st March, 1938, from the Employment Promotion Fund in connection with assistance granted to individual gold-prospectors and the gold-mining industry generally amounted to £100,526, which includes all payments made in respect of subsidies, wages, supervisors, purchase of equipment, &c. Included in this amount is £1,000 paid to mining companies and syndicates by way of subsidy under Scheme No. 8B.

The number of men engaged in gold-prospecting activities under the Department's gold-prospecting scheme has fallen off considerably, and, whereas an average of 1,873 subsidized men, excluding those employed by companies and syndicates, were so engaged during the previous twelve months, the average for the year at present under review was only 887. This decrease is accounted for largely by the fact that other full-time employment has become available and a large number of the men have been taken on to public works or absorbed into private industry.

The amount of gold won during the twelve months ended the 31st March, 1938, by subsidized prospectors, excluding that won by subsidized companies and syndicates, was approximately 4,500 oz., making the total gold-production from the inception of the gold-prospecting scheme to the 31st March, 1938, approximately 39,500 oz.

Towards the end of 1936, £8,000 was made available for the purpose of organizing special prospecting parties to investigate certain remote areas in the South Westland District and for the purpose of carrying out a programme of investigation and developmental work in the Reefton Goldfields, the Mines and Labour Departments each contributing equally to the cost. The special parties completed their work in South Westland during the current year after thoroughly prospecting areas at Paringa, Weheka, and Haast. Operations are being continued in the Reefton Goldfields, and a further £7,000 has been made available for this purpose, the two Departments again bearing equally the additional cost.

Owing to the decreased activities under the gold-prospecting scheme, the number of supervisors and technical officers employed by the Department has been considerably reduced, and at 31st March, 1938, there were eight technical officers, including engineers, geologists, &c., and thirty-eight supervisors.

Applications for subsidies under Scheme No. 8B made by companies and syndicates are thoroughly investigated by the Mines Department, and reports and recommendations are submitted to the Labour Department to assist in the consideration of such applications. Ordinarily, assistance to companies and syndicates is arranged by way of subsidy on the wages of registered and eligible unemployed men actually in receipt of relief assistance taken from the unemployment register by the company or syndicate concerned, but in certain special cases this condition is varied to allow the payment of a subsidy on the wages of men already employed, or a subsidy on a footage basis in respect of driving, tunnelling, &c., or for any further approved developmental expansion.

STAFF.

I desire to place on record my sincere thanks to the officers of the Department for their loyal co-operation and ready assistance at all times during the past year.