

that would pay well if in the other colony. There are several ways in which quartz mining may be promoted in New Zealand. The most obvious are, especially in mountainous districts, (1) The opening of roads so that machinery and timber may be got on to the ground with moderate expense, (2) The granting of large areas in exceptionally difficult circumstances.

The wisdom of granting large areas has been strikingly exemplified in the history of the Alpine Company's mine, Lyell, already referred to. The mine is situate up a wild bush gorge six or seven miles distant from the nearest point of the dray road, it is high up on the mountain side, and how to get machinery there and get the stone down to a site where the stampers could be erected was a problem requiring much skill and courage to solve. A large outlay was necessary, which the company saw would have been folly to incur on a lease of no greater area than the usual $16\frac{1}{2}$ acres. The Government accordingly, three years ago, allowed an extension of area to 50 acres, and since then, by a large expenditure and much determination, the mine has become one of the most prolific in the colony. About the same time the Welcome Company, at Boatman's, near Reefton, applied for an extension of area, so as to be enabled to drive through to some back country; after due inquiry the application was granted, and the success of that mine, after a thorough and costly blocking out of the lodes, has been very satisfactory to the fortunate shareholders. There is plenty of stone in the colony, and similar success seems to await other companies that have the skill, capital, and patience to fairly test and open new ground.

In keeping with the policy of encouraging costly mining enterprises, a company at Ross, Westland, seven months ago, was granted a lease of 100 acres, so as to warrant the heavy preliminary expenses of opening out the deep leads there, and likewise, the Rangitoto Silver Mining Company, also near Ross, after having expended many thousand pounds in prospecting the ground, has been allowed to acquire the freehold of 500 acres, with the object of enabling the company to raise more capital towards further development of the property.

3. The development of quartz mining would be promoted by diminishing the cost of working expenses, in the application of improved appliances, this is treated of under the head Aids to Prospecting, &c.

AIDS TO PROSPECTING, AND SUBSIDIES TOWARDS THE CONSTRUCTION OF TRACKS UPON GOLD FIELDS, ROCK DRILLS, &c.

Subsidies have been continued to most of the prospecting parties formed in the Provincial Districts of Auckland, Nelson, and Westland, referred to in last report, but the subsidy has now ceased in many of these cases, and, in view of the reduced amount voted last year, very few new applications have been granted. It is reported that the discovery of Te Aroha quartz reefs was brought into prominent notice through the operations of one of these parties assisted by the Government, and one of the several parties sent out by the Hokitika District Prospecting Association, receiving aid from Government, report having found an area of new auriferous country in Arahura District, but it is quite possible that both of these discoveries would have been made without the Government assistance, and there is no satisfactory result from the aid given to other prospecting parties.

The vote in aid of the construction of tracks and minor works upon gold fields has enabled the department to grant assistance during the year to various applicants (County Councils and others) guaranteeing an equal contribution, and subsidies have accordingly been agreed to in respect of proposals to construct roads or tracks at Coromandel, Thames, Aroha, and Wellington (Terawhiti) Districts, in the North Island, and in Nelson (Wangapeka, and Motueka to Mount Arthur reefs), Reefton, Grey, Hokitika, and Wakatipu Districts, in the South Island. Some of these works are in course of progress, and the department feels much greater satisfaction in granting subsidies in these cases (which are made subject to more specific control and conditions) than in distributing aid to prospecting parties, and it is expected that in many instances the aid granted towards improving the means of communication with auriferous country will lead to the best results.