

The gold content of the bullion is estimated at 185,665 oz., valued at £1,891,447.

The estimated gold-production for the past eleven years has been as follows :—

Year.		Oz.	Year.		Oz.
1930	..	120,931	1936	..	164,575
1931	..	129,861	1937	..	168,487
1932	..	166,354	1938	..	152,050
1933	..	161,755	1939	..	178,955
1934	..	160,248	1940	..	185,665
1935	..	165,277			

The importance of maintaining and, if possible, of increasing gold-production is fully recognized by the Government.

It is of especial importance at the present time in relation to the provision of overseas funds and the war effort, and the Government is determined to do all in its power to assist all genuine and legitimate gold-mining operations.

It is satisfactory, therefore, to record a further increase of 6,710 oz. in the production of gold compared with the previous year, the output for the period under review being the highest for any one year since 1920.

Gold-production from alluvial mines (18,051 oz.) shows a decrease of 461 oz., dredges (88,495 oz.), an increase of 11,457 oz., and quartz-mines (79,119 oz.), a decrease of 4,286 oz.

The Round Hill Mine in the Wallace County, which recovered 2,373 oz. of gold, was the chief alluvial producer during the year. Weather conditions were favourable for alluvial mining in the Southern Inspection District, where there was an increase in production of 747 oz. compared with the previous year. On the West Coast of the South Island production from alluvial mines decreased by 1,208 oz.

The quartz-mines show a slight drop in production, due to the lower tonnage of ore treated, average values of ore treated being approximately 10s. per ton higher than in 1939.

The Martha and Blackwater Mines were again the outstanding and principal producers, the only new mine of any promise being the Una Hill, at Thames.

It will be seen that the higher production of gold is wholly due to the increased output from dredging claims, which were responsible for 48 per cent. of the total production.

Twenty-four dredges operated during the year, eighteen on the West Coast and six in Southland and Otago. Three large new dredges were launched and seven ceased operations. On the West Coast five dredges are in various stages of construction and preparations are under way for the erection of dredges on two other tested areas.

The Government has given careful consideration to the subject of dredge-mining, and whilst many statements that wholesale destruction of valuable farm lands is being permitted are totally inaccurate and to be strongly deprecated, it is nevertheless true that modern expensive plants capable of dredging relatively deep ground do leave in their wake an unsightly pile of stone. All the world over there is a conflict of opinion between the farming and mining interests on this very question, but I have a full knowledge of the actual position and do not rely upon my imagination for the facts, and I can state that full consideration is given to all aspects of the case before a dredging-claim license receives my consent as Minister of Mines.

In mining districts the areas of good agricultural land are very limited in extent, and when small portions are affected by gold-dredging the loss to the district is very noticeable. Actually the lands dredged for gold were mostly of very poor pastoral quality before dredging, and the aggregate effect of dredging on the agricultural and pastoral production from the national viewpoint is very small indeed.