

Other hydraulic plants are working at Munro's Gully and Wetherstone's. At Waipori three claims are being worked on the same system, and throughout the district (including Waitahuna, Round Hill, and Manuka Creek) a considerable number of men working individually or in small parties are engaged in gold-mining on alluvial deposits.

Waikaia (formerly known as Switzer's Diggings) does not present any new features. The hydraulic claims of the Argyle Company continue, I understand, to yield satisfactory returns. The Winding Creek Gold-mining Company (Limited), whose claim is some five miles from the township, have only worked intermittently during the year owing to shortage of water-supply. Ten men are employed. Some details regarding the plant, &c., of the companies referred to have been given in previous reports. Constructive works for new hydraulic claims are in hand at Piano Flat and Gow's Creek, several miles higher up the Waikaia River than the township. From twenty to thirty European diggers and a similar number of Chinese diggers are scattered about the neighbourhood of Waikaia.

The Orepuki district continues to afford remunerative employment to a considerable number of miners, who work mostly in small parties; but, as practically all the available ground which can be operated on by the water at command appears to be taken up (and even in some instances underground mining for the auriferous drift has been resorted to), there does not appear any prospect of increased activity in gold-mining. On the contrary, as claims now being worked become exhausted other fields of labour will have to be sought. A limited amount of sluicing is being done at West Waiau. At Pahia, between Riverton and Orepuki, it is reported that some prospecting has recently been done and very good prospects obtained.

Round Hill (Southland) is still the scene of extensive hydraulic-mining operations, the Round Hill Gold-mining Company, the Ourawera Gold-mining Company, and the Smith Gold-mining Company all having been actively engaged during the year. The works of the first-named company are very extensive, and include a large reservoir and about seventy miles of races, besides a long line of pipes of large diameter. A few Chinese diggers are still to be found in the localities of Round Hill and Orepuki.

Alluvial-mining operations on a limited scale are carried on in many places in the southern district to which reference has not been specially made, and enable men to live and support their families with, in many instances, a considerable amount of comfort.

Much information in detail will be found in the reports of the Inspectors of Mines and Wardens for the several districts of the Middle Island.

DREDGE-MINING.

During the period under review—(viz., from the 31st March to the 31st December, 1900)—dredge-building has been very active. Some few large dredges have been completed and put to work, many others being under course of construction and erection, both in the West Coast and Southern districts. The excitement of the boom in connection with dredging—or perhaps it would be better to say “dredging speculation”—so general in the previous year, was experienced by its continuation for a considerable part of 1900. As pointed out in my report of last year, and now reiterated in dealing with alluvial- and hydraulic-mining operations, dredging took such a hold on the public in some parts of the colony that no other form of mining would be considered as an investment, and the development of hydraulic mining, even in places where this method is more satisfactory than dredging, has in consequence been practically shelved. During the boom, claims were offered to the public, and taken up as dredging ventures, which were in several instances totally unsuited to this method of working under existing conditions of dredge design. In other cases the reasonable and sensible plan of properly prospecting the claims was ignored to a very great extent, and companies were quickly floated on the statements of interested parties. The natural result of this wild speculation is seen in the liquidation of several companies, and as evidenced by the columns of newspapers. Many really good claims were, however, placed on the market, and in cases where the dredges have got to work are yielding very satisfactory returns.

The necessity for dredges being designed to suit the class of ground they have to work is becoming more fully recognised; but there is still room for improvement in this direction, both in structural design and the methods of gold-saving. In connection with this matter I would mention the fact that several old dredges which have been working for years at different places on the Clutha River have been removed to other centres, and notably the alluvial flats in the Southland District. That they are not suitable to the conditions of flat-dredging has not seemed to trouble interested parties, but the fact remains that such is the case. Instances have come under my notice where the apparently low price paid for an old dredge has proved a very costly investment, the expenses of dismantling, removal, re-erection, repairs, and rearrangements to suit the new conditions of work, added to the initial cost, having practically equalled that of a new dredge built to meet requirements. The advantages of a new machine over an old and patched-up dredge in relation to working-life are obvious, but another and very important aspect of the question demands attention. In very few instances indeed can one of these old river-dredges be arranged to efficiently treat the wash of the Southland District as regards the extraction of the fine gold found there. This being the case, it stands to reason that the inefficiency of these old dredges must prove detrimental to the interests of the industry as a whole in the locality to which they have been removed. It is quite possible that claims worked on by these obsolete and unsuitable machines may be pronounced duffer-ground when the real reason of the claim being unprofitable lies in the dredge itself.

In connection with dredging on flats, the question raised in the last annual report regarding the feasibility of stripping the surface-soil and clayey subsoil overlying the auriferous wash in advance of the removal of the latter, and depositing these on the worked ground behind the dredge,