

reporting on the coal-measures at Jackson's Bay, were not aware of the above outcrops, or, if aware of them, did not visit them nor the locality indicated, which extends from Bullock Creek and the Bald Hills on the north to the Arawata River on the south, a distance of over thirty miles. Only the south end of the block was looked at by the experts, they having come and returned by steamer. Strong solid seams of coal show out on the face of the hill, some 50 ft. above sea-level, out of one of which—a 5 ft. seam, level-free—a 2 ft. block was taken, and sent to the Melbourne Exhibition many years ago, where it took the second prize for the best bituminous coal in the exhibition. Other seams exist, but the one indicated is easiest of access. The overlying rock is sandstone, and the flats lying between the north and south points are of the same age and formation.

#### THE GOLD-DREDGING INDUSTRY IN WESTLAND.

During this and the previous year this new method of winning gold has taken great hold and become very popular on the West Coast, and has been the cause of quite a rush for mining areas suitable for this mode of working, no less than 497 prospecting licenses and 166 special claims having been granted up to the 31st December, 1900. Forty-three of the companies have been registered, and are now on the market; the owners thereof, justifying their belief in the payable nature of the ventures, are placing powerful plants on their claims, at an average cost of £10,000 for each claim. So far we have only three dredges at work—namely, the Totara, on the Totara River, near Ross, said to be on payable gold, but being a private company exact returns are not available; the Greenstone Junction, and the Greenstone Creek, just started opening out, but a few weeks will be occupied in necessary preliminary work before getting on the auriferous wash. However, shares are quoted at a considerable premium, and are firmly held. A fourth plant, called a "dry dredge," has been put on a claim at Lake Mahinapua, and a start made, but so far the new departure has not been a success. There are some nine or ten other dredges well under way in different parts of the district—some nearly ready for work—that will prove the value of the claims.

The large number of prospecting areas held were in many cases taken up for speculation purposes only, and the holders appear to be waiting for something to turn up to enhance their values, so that they may be able to dispose of them at a profit; but properties with merely speculative values have suffered severely from the exposures made in the Foley's Creek salting cases, where convictions were obtained and the parties punished, and in other cases that are still *sub judice*. Investors are now more on their guard, and require substantial proof of the value of ground before investing; hence the present "slump" in the market.

The outlook for dredging (dredging that will pay) on our rivers, inland creeks, valleys, and beaches is as promising as ever, but the tentative efforts that are made to verify vague assertions as to values are so infinitesimal that they are worthless for all practical purposes—*e.g.*, a couple of 3 in. bores put down in a 100-acre claim is considered by some vendors as sufficient to prove the value of the claim, and on such evidence claims have been sold and floated into companies. That this important industry is suffering from this slipshod and taking-for-granted method of putting properties on the market without further verifying values should be apparent to the most unobservant and the most credulous investors is most clear, and the investing public should see to the abatement of the evil. The whole industry has to some extent been paralysed by the attempts made to defraud, and the hurried and careless manner in which vendors and promoters have endeavoured to place their ventures on the market. Promoters and provisional directors of mining companies should see that vendors' values are genuine, and the reports reliable, before asking investors to put in their money. A prospectus showing a number of well-known names should be a guarantee that the property has been thoroughly prospected by or for them, and that the values as set out are genuine and not speculative values, and that they are satisfied that there is sufficient gold in the claim not only to pay for the plant, but to give reasonable returns to the shareholders besides. Recent results are in evidence that this has not been done; hence the boring and shaft-sinking after the plant has been ordered, and in many instances on the ground. Such loose methods may suit mining speculators whose sole aim is a gamble in speculative values, but should not obtain if the industry is to be run on strictly business lines, when the returns and profits are to be obtained from the gold won from the mine; otherwise the investing public are deceived, and the promoters and provisional directors are parties to the deceit.

In my last year's report I called attention to this and other matters connected with dredging, more especially to the floating of companies on prospecting licenses where no valid title existed, as also the misleading nomenclature adopted by vendors and others, which, unless carefully looked into, are misleading—the names in many instances are almost identical and interchangeable with well-prospected claims, although often miles away from the claims they try to hang on to, their values being estimated not from any prospects obtained from their own claims, but from that of some well-known claim in the neighbourhood that has been proved.

#### *Dredging on our Sea-beaches and Lagoons.*

The remarkable auriferous littoral deposits occurring along the western sea-beach presents unusual opportunities to the engineer who will design and construct a plant that will successfully overcome the difficulties inseparable from beach-dredging. A plant suitable for working from the surface, doing away with the costly pontoons, lifting the sand dry, and distributing it over a wide spread of tables will, I hope, be forthcoming at an early date, and I am confident it will be a success not only from a working point of view, but as lessening the cost by at least a half. The ease with which beach deposits can be dealt with by those who can understand them will make this kind of working the most profitable in connection with dredging, and has a great future before it. However, it will take another twelve months before we can fairly assess the value of this new method of winning gold.

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