

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

Year.		Oz.	Year.		Oz.
1930	..	120,931	1934	..	160,248
1931	..	129,861	1935	..	165,277
1932	..	166,354	1936	..	164,575
1933	..	161,755			

It will be noted that for the year under review there has been a slight drop in gold-production. This is disappointing, but has been brought about by the circumstances mentioned below.

Quartz-mining showed an appreciable decrease mainly on account of the fact that the outputs of the Blackwater and Big River Mines dropped by 2,192 oz. and 1,953 oz. respectively.

On the other hand, the output of the Martha Mine increased from 52,541 oz. to 53,108 oz., while from the Waihi Grand Junction Mine the recovery of gold amounted to 7,620 oz., compared with 5,897 oz. for the previous year.

Alluvial mining, however, was responsible for a greater drop in production than quartz-mining, the figures for 1936 being 33,618 oz., as compared with 37,134 oz. for the previous year, a reduction of 3,516 oz. The reduced returns of the King Solomon Mine account for almost half of this reduction, while the balance is due to the large drop in the number of subsidized miners engaged on this class of work. No less than 1,407 subsidized prospectors were transferred to other avocations.

Dredging activities produced 37,269 oz., an increase of 5,207 oz. over the previous year. This increase is recorded in spite of the fact that the principal producer in this class of mining, the Rimu Dredge, lost 834 hours digging-time due to an unfortunate accident. If this dredge had worked its usual time the output of gold would probably have been at least 2,000 oz. more.

Twenty-one dredges were operated in New Zealand in 1936, as compared with only seven in 1933. Three more large dredges would have operated in the year under review had it not been for extraordinary delays due to factors outside the control of the companies concerned. The launching of two large dredges on the Clutha River was held up for a very long period due to the extraordinary low state of the river, while a third large dredge at Barrytown on the West Coast was held up for lack of electric power. These three dredges, however, are now in active production, and the dredge of the Clutha Gold Dredging Co., Ltd., is yielding very satisfactory returns, a recent week's work producing 433 oz.

A further four large dredges are now under construction on the West Coast, and a fifth is to be erected near Cromwell, in Otago.

With regard to dredging developments on the West Coast, I made reference in my Statement last year to the prompt action taken by the Government to secure adequate supplies of hydro-electric power for the West Coast, not only in the interests of the gold-mining industry, but also to serve other forms of industrial development.

Almost immediately after the Government took office the Minister of Public Works and myself visited the West Coast and conferred on the power question with the interested parties. We were most impressed with the possibilities of the gold-dredging industry, and we were also quite satisfied that if ample electric power were not made available to the district at the earliest possible date both mining and other industrial developments would be seriously retarded. The difficulties which were feared actually occurred at the beginning of the present year. As mentioned above, the Barrytown dredge was unable to get into full production for a considerable period due to the shortage of power, and also the development of the new State Coal-mine at the Nine-mile, near Greymouth, has been retarded for the same reason.

The Government's action in arranging for the construction of a transmission-line from the Lake Coleridge Hydro-electric-power Station to the West Coast has been abundantly justified.