

GOLD AND SILVER MINING

During the year 372,908 oz. of bullion, valued at £1,389,959, was produced, a decrease in quantity of 97,660 oz., and a decrease in value of £128,160, as compared with the previous year. The gold content of the bullion is estimated at 128,364 oz., valued at £1,353,207.

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

Year.	Oz.	Year.	Oz.
1930	120,931	1938	152,050
1931	129,851	1939	178,955
1932	166,354	1940	185,665
1933	161,755	1941	174,656
1934	160,248	1942	165,986
1935	165,277	1943	149,150
1936	164,575	1944	142,287
1937	168,487	1945	128,364

The decline in the production of gold which commenced in 1941 has not been arrested, and output shows a decrease of 13,923 oz. of gold compared with the previous year and is the lowest production since 1930.

This decline has not been confined to any particular section of mining. Production from alluvial mines (3,474 oz.) shows a decrease of 1,357 oz., dredges (82,086 oz.) a decrease of 5,188 oz., and quartz mines (42,804 oz.) a decrease of 7,378 oz. compared with the previous year.

Conditions brought about by the war, shortage of skilled labour and of equipment, together with increased working-costs, have been partly responsible for this decline in production, which recent output figures show is still decreasing. However, exhaustion of available deposits is also a factor, and this is particularly true of alluvial mining and of dredging operations on a small scale. Production from alluvial mines in the pre-war years was greatly stimulated by the operations of parties and individuals subsidized under the gold-mining scheme, and though individual outputs were small, in the aggregate they were appreciable.

There have been fewer gold-dredges in operation, although the production of gold by dredging has not decreased in similar proportion owing to maintenance of output by the modern high-capacity dredges. Sixteen dredges were operating during 1945, fourteen on the west coast and two in Otago, but three of the dredges on the west coast have since shut down.

The construction of dredges, which had to be deferred because of the war, is again receiving consideration, and it is expected that the number of high-capacity dredges, which have been so successful on the west coast, will be further increased, while it is possible that additional areas suitable for similar dredges may be located by further prospecting.

Any further expansion of gold production in the Dominion appears dependent on large-scale dredging operations carried out on the relatively low-grade ground, which has not been amenable to the older types of mining methods. Notwithstanding this fact, the policy set out in the Mines Statement of 1941, whereby dredging of land of good or potentially good farming value shall only be permitted provided conditions as to resurfacing and reseeding are strictly complied with, will be rigidly maintained, even if thereby it should render dredging operations uneconomic.

For practical purposes there are only two quartz mines at present producing gold, the Martha and the Blackwater, and shortage of skilled labour and increased working-costs have of late years created problems at both mines.

The reduction of the gold export duty, which, since 29th September, 1939, has amounted to 75 per cent. of the amount by which the New Zealand currency value of the London market price exceeds £9 5s. 8d., to 40 per cent. of the same amount has resulted in an additional 10s. 7d. New Zealand currency per fine ounce being made