GOLD AND SILVER MINING

During the year 343,612 oz. of bullion, valued at £1,322,231, were produced, a decrease in quantity of 29,296 oz. and a decrease in value of £67,728 as compared with the previous year. The gold content of the bullion is estimated at 119,271 oz., valued at £1,262,524, and the silver content 224,341 oz., valued at £59,707.

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

Year.	Oz.	Year.	Oz.
1927	125,076	1937	168,487
1928	122,790	1938	152,050
1929	117,775	1939	178,955
1930	120,931	1940	185,665
1931	129,861	1941	174,656
1932	166,354	1942	165,986
1933	161,755	1943	149,150
1934	160,248	1944	142,287
1935	165,277	1945	128,364
1936	164,575	1946	119,271

There was a further decline in the production of gold in 1946, and the output shows a decrease of 9,093 oz. compared with the previous year, and is the lowest production since 1929.

Production from quartz-mines (36,352 oz.) shows a decrease of 6,452 oz., from dredges (79,228 oz.), a decrease of 2,858 oz., and from alluvial mines (3,691 oz.), an increase of 217 oz., compared with the previous year.

Dredging now accounts for two-thirds of the total production, and this is accounted for not only by the increase in dredging activities of late years, but also by the continued and persistent decline of both quartz and alluvial mining. Alluvial mining, which in 1934 accounted for a production of 43,541 oz., has continually declined, until a figure of 3,474 oz. was recorded in 1945. True, there was a slight increase during 1946 mainly due to resumption of activities on small claims in Otago which had been suspended during the war years, but it is difficult to foresee any marked and continuing increase in alluvial production, seeing that close on a century's activities have wellnigh exhausted deposits amenable to this method of mining. There has also been a persistent decline in production from quartz-mines. In 1932, 121,480 oz. were produced by quartz-mines, but production has continually declined, until in 1946 only 36,352 oz. of gold were obtained from this branch of mining. Production is now entirely dependent upon the activities of two mines, the Martha and the Blackwater, and both have been experiencing disabilities in rising costs and the shortage of skilled labour. The remission of a further 11s. 10d. New Zealand currency from the gold export duty must have offset in part rising costs, but the labour problem, particularly in the case of the Blackwater Mine, still remains acute.

There has been no activity either in the prospecting and development of new mines or in resumption of activities of mines dormant during the war years, and while it is expected that with the solution of labour difficulties some increase in production is possible, the future of this branch of the industry cannot be regarded as bright from a long-range viewpoint.

Sixteen dredges were in operation during 1946, thirteen on the west coast of the South Island and three in Otago and Southland. During the year the Gillespies Beach dredge on the west coast suspended operations, while the Blackball Creek dredge ceased activities early in the present year.