GOLD AND SILVER MINING

During the year, 334,244 oz. of bullion, valued at £1,264,377, were produced, a decrease in quantity of 8,368 oz. and a decrease in value of £57,854.

The gold content of the bullion is estimated at 112,260 oz. valued at £1,210,537, and the silver content 221,984 oz., valued at £53,840.

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

Year.	Oz.	Year.	Oz.
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
1937	168,487	1947	112,260

Gold-production showed a decline in 1947 of 7,011 oz. compared with the previous year and is the lowest production since 1920, when an output of 109,109 oz., the lowest since 1860, was recorded.

It is not without significance that both these periods of low production should occur shortly after the conclusion of a major war. In both instances the gold-mining industry was seriously disrupted during the war period, many concerns suspending operations for the duration, while in the immediate succeeding years difficulties due to rising costs and shortages of labour and equipment militated against resumption of operations and the rehabilitation of the industry. The suspension of all prospecting and development work for the same periods, though not immediate in its outcome eventually had serious effect.

The recovery in gold-production after the first great war was due to the increase in the price of gold and to the revival of gold-dredging consequent upon the price increase and upon improved dredge design permitting of the exploitation of ground lower in grade and both deeper and heavier than that previously worked. At the moment a similar recovery cannot be predicted, as there have been no technical improvements in practice of comparable importance that can be expected to revitalize the industry.

To meet rising costs the Government has remitted in full the war tax levied on the increase (due to the war) in the price of gold, and the export tax of 12s. 6d. per ounce which has been current since 1933 has also been remitted. The total remission of gold taxation since 1945 amounts to 34s. 8d. per ounce.

Another and even more weighty reason for the decline in gold-production is the gradual exhaustion of our auriferous deposits, an exhaustion which must be regarded as inevitable after well nigh a century of active prospecting and mining operations.

Further, many considerations in the national interest, such as destruction of land of potential value for agricultural or pastoral use, river control, soil erosion, and the development of hydro-electric schemes, which were of slight concern in the past must now restrict the field available for mining.

Gold-mining has played a major part in the development of New Zealand, and, notwithstanding the considerations set out above, it is expected to continue to make a contribution to the economy of this country.

Production from quartz-mines (37,496 oz.) shows an increase of 1,144 oz., from dredges (71,531 oz.) a decrease of 7,697 oz., and from alluvial mines (3,233 oz.) a decrease of 458 oz. compared with the previous year.