

Ahaura River, stopped temporarily; Watterson's Consols, pontoons only. Moonlight—Garibaldi, machinery being erected; Moonlight, pontoons building and machinery obtained; Caledonia, working; Shellback, machinery erecting. Nelson Creek—Pactolus, Nelson Creek, Victory, Aldinga, and Trafalgar, machinery in course of erection. Red Jack's (Red Jack's Gold-dredging Company), working. No Town (No Town Gold-dredging Company), working. Blackball (Ford's Creek Gold-dredging Company), stopped.

GREYMOUTH DISTRICT.

In this section of my district, from information which has been kindly furnished me, I gather that the returns from the river-dredges have been disappointing during the past year. The Grey River dredge, which at one time gave promise of yielding profitable returns to shareholders, has been working throughout the year, but the returns have been barely sufficient to cover the working-cost, and the directors of the company have recently decided to lay the dredge up. The operations of this company have made it manifest that river-dredging on the West Coast will be attended with greater difficulty and cost than most people have reckoned on. Frequent stoppage of work through the river being in fresh or flood has involved considerable expense in protecting the dredge from damage by collision with drifting timber, whilst useful work when the dredge has been able to work has been hampered by the difficulty of extracting submerged trees, which have been deposited on the river-beaches during floods, and subsequently covered by drift shingle.

The Dobson No. 2 Company's dredge was employed during the early part of last year in working a stretch of the Grey River near Dobson Township, but the returns proved unprofitable, and the company has abandoned work and gone into liquidation.

The Dobson No. 2 dredge has been purchased by the Grey River Extended Gold-dredging Company, and this company has lengthened the ladder of the dredge, and restarted work on the Dobson Company's claim, but sufficient time has not elapsed to show whether there is any probability of profitable returns being obtained under the altered conditions.

On the New River the New River Company's dredge is still working, but the results have not been profitable, and the directors have in hand a proposal to overcome the company's financial difficulties by a scheme of reconstruction.

Higher up the river the Marsden No. 1 Company's dredge worked unprofitably for a brief period, and, owing to the fact that the company was in financial difficulties from the start, no adequate test of the company's claim had been secured when the company was compelled to suspend its operations and go into liquidation. The dredge has been purchased by a private party for about £800, and during the last week or two work on the company's claim has been resumed by the new owners, who hope to be able to secure profitable results under the altered conditions.

Two miles higher up the river, and in proximity to the Marsden Township, a dredge owned by the Marsden No. 3 Gold-dredging Company is in course of construction, but the work has been interrupted owing to the necessity of providing further capital.

The only other dredge on the New River is the one owned by the Cornwall Gold-dredging Company, which recently made a start on a claim some two miles above the Marsden Township. The results so far have been sufficiently good to cover the working-cost and leave a margin of profit, but it is somewhat premature as yet to give any opinion concerning the probability of the company's operations being attended with success; all that can be said is that the prospects are encouraging.

At the junction of the New River with Maori Creek, near the Township of Dunganville, a dredge belonging to the Maori Queen Gold-dredging Company, of Wanganui, has been working with indifferent success during the greater part of the year under review; but owing to financial embarrassment work has recently been stopped, and the company has gone into liquidation. Those connected with the management of the company are of opinion that the failure is largely due to the inefficiency of the dredge, and a proposal is on foot to reconstruct the company, and provide further capital to cover certain proposed alterations. Under existing conditions the machine is only able to lift about one-third of the maximum working quantity which it was supposed to be able to lift, and, as the results under such conditions have almost covered the working-cost, it follows that treatment in greater bulk without additional working-cost may enable the new company to make a substantial profit where the previous company failed.

The marine deposits in proximity to the ocean beach are being worked in this district by the Leviathan Gold-dredging Company and by the North Beach Gold-dredging Company, and dredges belonging to the Stony and Mosquito Lead Company and the Leviathan Freehold Company are in course of construction.

The operations of the Leviathan Company are connected with a claim which is situated about three miles south of Greymouth. For the greater part of the year the company's operations were not attended with profit, and owing to financial stress additional capital had to be raised by the issue of preference shares. Since the issue of these shares was effected the results have been very satisfactory, and at the time of writing there is reasonable evidence that profitable returns will be forthcoming for a considerable period, and redeem the outlay in this enterprise.

The North Beach dredge is working a claim some two miles north of the Cobden Township, and, although the dredge is engaged in treating material which has been worked by miners in the early days of the Coast, the returns have averaged about 30 oz. a week during the past few months, with a reasonable prospect of this average being improved on in the near future.

The Stony and Mosquito Lead and the Leviathan Freehold Companies' dredges will be completed within three or four months from now, and will be set to work virgin ground in proximity to the Leviathan Company's claim. Prospecting operations carried out on these claims serve to show that there is a probability of rich returns being obtained.