

andra, and is working most satisfactorily. It is in contemplation to provide the City of Glasgow dredge, a large and powerful dredge working a bank claim, with this elevator. If it proves a success here it will no doubt lead to its adoption on other dredges, as it is much cheaper and less cumbersome than those at present in use.

I append hereto a list showing the returns of fifty dredges, working in various parts of the district, for the year ended the 31st December, 1901, with the average for each working-week and the dividends paid. Some of the dredges commenced operations late in the year, and it is fairer, therefore, to take the average for each working-week. The capital of the forty-seven companies, with fifty dredges, aggregates £442,076. The dividends actually paid amount to £45,358, or 10½ per cent. per annum upon the whole capital. Looking at these figures, and considering the adverse conditions prevailing last year, we cannot fail to regard hopefully the success of this industry.

ROXBURGH.

Dredging.

With a few exceptions, dredging has proved disappointing in this portion of the district. No doubt the high state of the river and the large amount of drift to be contended with have to a considerable extent contributed to this unsatisfactory position, and, with a fairly long winter and a low river, I have no doubt that the returns will increase, and public confidence be re-established.

Alluvial.

The Roxburgh Amalgamated Company at Roxburgh East and the Golden Run at Miller's Flat are the two most important sluicing claims now at work in this end of the district. Both have been obtaining payable returns. There are a number of smaller claims working along the banks of the river, but their profits are not large.

Bald Hill Flat.—This once-prosperous locality is undergoing what it is to be hoped is only a temporary depression. Two or three sluicing claims which a year or two ago were being worked to advantage have now ceased operations. Of the claims still working, the Last Chance Company (late Hesson and others) has probably done the best. The Bald Hill Flat dredge worked for a few weeks on a portion of its claim adjoining Kemp's freehold, but the ground proved to be not payable, and the company went into liquidation. The dredge has been sold for removal.

Quartz.

Nothing worth reporting has been discovered during the past year. Both White's and the Excelsior reefs are still being persevered with, but, so far as I can learn, with not very good results.

GENERAL REMARKS.

The result of the year's operations, so far as dredging is concerned, it must be admitted, has on the whole been disappointing. The season has been a particularly unfavourable one for this industry. The Clutha and Kawarau Rivers have been for a great portion of the year unusually high, and have not permitted the ordinary amount of work to be carried on. As a necessary consequence of the enforced suspension of dredging operations, the return of gold for the year is not nearly so large as it was confidently expected to be. Several companies which held what were considered to be payable claims have gone into liquidation during the year, in some instances after the dredge had been completed and all necessary preparations made to work the claim. The experience of the past year has shown that it is a dangerous policy to limit the capital of the company to an amount which is only, and in some cases barely, sufficient to put a dredge upon the claim. The fate of too many companies shows either a want of foresight on the part of the management, or grievous miscalculation as to the cost of erecting and equipping the dredges. If the dredge is not fortunate enough to at once get gold, operations have to be suspended for want of the necessary funds to continue, and unless financial assistance is obtained—latterly a very difficult matter—the company is inevitably forced into liquidation. The directors would almost seem, in many cases, to have proceeded upon the assumption that gold is to be found everywhere along the bed of the river, and that it was only necessary to start the dredge working to at once secure payable returns. The consequences have proved disastrous to the companies concerned, and the pity of it is that in several instances it seems evident that, but for the want of the necessary capital to enable the company to carry on for some time unremunerative operations while testing the claim, ventures now abandoned would have in the end proved payable. We should have been spared, moreover, the unsatisfactory experience of companies only just commencing operations being unable to pay the wages of their employees. In other cases sufficient care does not appear to have been exercised by those whose duty it was to do so to ascertain the depth of the river and drift to be dredged, and the dredge, when completed and started, has proved to be unsuitable for the work it has had to do. The consequence has necessarily been great delay and expense to the shareholders, and in some cases absolute loss.

The result of dredging operations in the gorges so far seems to point to the conclusion that anything like constant work on these claims cannot under ordinary conditions be looked for with any confidence for more than five or six months in the year. Among the inconveniences arising from this fact will undoubtedly be the difficulty of inducing competent men to accept positions on these dredges unless compensated for loss of time by a much higher rate of wage.

During the past year thirty-six mining companies possessing claims in this district have been wound up, but against this must be recorded the fact that several new companies have been registered—in many cases to acquire and work the claims lately owned by the liquidated companies.

Although the output of gold for the year has fallen short of well-founded expectations, there is, considering the unfavourable conditions obtaining during a great portion of the time, no reason to feel discouraged at the result of the year's operations. The total yield, notwithstanding the fact that so many dredges had to suspend operations for long periods, only falls short of that of