

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

Year.		Oz.	Year.		Oz.
1930	..	120,931	1933	..	161,755
1931	..	129,861	1934	..	160,248
1932	..	166,354	1935	..	165,277

It is interesting to record that the quantity of gold exported during the year was the largest for the past thirteen years.

Quartz-mining showed an increase of 3,466 oz. as compared with the previous year, mainly due to the figures for 1934 being abnormally low on account of industrial troubles.

The gold output of the principal individual producer, the Martha Mine, dropped to 52,541 oz., while the Waihi Grand Junction Mine, which is worked in conjunction with the Martha Mine, yielded 5,897 oz.

Compared with 1932, the annual gold-production from these two mines has fallen by no less than 22,258 oz., which figure roughly represents the increase in output from alluvial mining and dredging for the year as compared with 1932.

Alluvial mining in 1935 was responsible for 37,134 oz. derived from 4,411 claims, as compared with 43,541 oz. from 4,357 claims in 1934.

Dredging activities produced 32,062 oz., an increase of 7,970 oz. over the figure for the previous year. The situation in regard to dredging is very promising. In 1933 there were seven dredges working in New Zealand. At the end of 1935 fifteen were operating, three were temporarily idle, and seven were under construction. At the time of writing eighteen are operating, three are idle, and four are under construction.

A further gratifying fact is that most of the companies operating new dredges have already paid dividends.

Three of the dredges at present under construction have buckets of 12 cubic feet capacity. Three other companies have been floated to construct three dredges equipped with 18 cubic feet buckets, and the results so far obtained from the testing of several other properties justify an expectation that the construction of several further large plants from 14 to 18 cubic feet bucket capacity will shortly be commenced.

Most of these developments have taken place on the west coast of the South Island, where, unfortunately, the existing supplies of electric power are limited. This district is not yet served by any of the large Government hydro-electric schemes. As a result, however, of representations received from several important mining companies, the Minister of Public Works and myself visited the district in January last and conferred on the power question with the interested parties. We were most impressed with the possibilities of the gold-dredging industry, and we were also quite satisfied that if ample electric power were not made available to the district at the earliest possible date both mining and other industrial development would be seriously retarded. After a very thorough investigation of several possible sources of power, the Government finally decided to construct a transmission-line from the Lake Coleridge Hydro-electric Power Station to the west coast at an estimated cost of £165,000. The completion of this work in about eighteen months' time will make 15,000 kw. available for industrial purposes.

As a safeguard to ensure that charges for power used in mining operations will be met, several of the gold-dredging companies are being called upon to furnish substantial guarantees to the Public Works Department.

The activities outlined above should result in a healthy advance in our gold-production.

During the year the Mining Amendment Act, 1935, was passed. It is a very short measure, comprising nine sections only, and was necessary to deal with several urgent matters.

During the present session I propose to bring down a comprehensive Bill involving a number of further amendments to the Mining Act, 1926. I have already circularized all interested parties asking for suggestions, and a very large number of proposals has been received. These are being very carefully investigated, and later I intend to submit the draft Bill to a conference of all mining interests.