

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

Year.	Oz.	Year.	Oz.
1930	120,931	1934	160,248
1931	129,861	1935	165,277
1932	166,354	1936	164,575
1933	161,755	1937	168,487

It will be noted that for the year under review there has been an increase in gold-production over the previous year amounting to 3,912 oz.

I am also pleased to point out that the production for 1937 is the largest recorded in the past eighteen years.

As in the previous year, quartz-mining and alluvial-mining both showed appreciable decreases, the reductions being 3,062 oz. and 6,476 oz. respectively.

On the other hand, dredge-mining was responsible for a substantial increase of 13,450 oz.

The gold output of the Martha Mine was 54,552 oz., an increase of 1,444 oz., while for the Waihi Grand Junction and the Golden Dawn Mines reductions of 2,896 oz. and 1,680 oz. respectively were recorded. The principal quartz mine in the South Island, the Blackwater Mine, also showed a decrease of 720 oz.

The substantial drop in the returns from alluvial mining was due to the following three factors—the closing of the King Solomon Mine, the extremely dry summer in Otago and Southland, and the heavy reduction in the number of prospectors engaged under the Labour Department's schemes.

Twenty-two dredges operated in New Zealand during 1937, as compared with only seven in 1933.

During the present year four new, modern dredges, all of which are substantially larger than any dredge ever yet erected in New Zealand, should come into production. A fifth machine of similar capacity is also under construction. I therefore look forward with confidence to the annual output of gold from dredging being doubled within the next year or two.

In my last statement I made reference to the action taken by the Government to provide ample electric power for industrial and domestic purposes on the West Coast of the South Island, and the importance of the work from the point of view of the gold-mining industry. I am happy to record that a Diesel plant has now been erected by the Public Works Department at Dobson and has been in operation for some time. The erection of the transmission line from the Lake Coleridge Hydro-electric-power Station is also well advanced.

The following statement shows the quantity and value of bullion-production, the dividends paid by registered companies, and the number of productive claims and gold-dredges during 1937 and 1936 :—

Class of Gold-mining.	Production of Bullion.				Dividends paid by Registered Companies.		Number of Productive Claims and Dredges.	
	1937.		1936.		1937.	1936.	1937.	1936.
	Oz.	£	Oz.	£	£	£		
Quartz	534,424	710,421	526,661	732,869	126,088	151,336	77	77
Alluvial	27,142	200,024	33,618	244,640	14,683	16,436	2,753	2,928
Dredging	50,902	409,298	37,269	295,078	55,533	62,335	22	21
Totals	612,468	1,319,743	597,548	1,272,587	196,304	230,107	2,852	3,026

MINING LEGISLATION.

During the year the Mining Amendment Act, 1937, was passed by Parliament. Suggestions for improvements to the existing law were invited from all affected parties. These suggestions were then reviewed by a conference at which all mining interests and the Department were represented. The recommendations of the conference were incorporated in a Bill, which I am gratified to record was given an excellent reception. The measure as passed comprises forty-two sections, a number of which are merely for the purpose of clarifying the existing law and removing minor administrative difficulties.