GOLD AND SILVER MINING.

During the year 509,759 oz. of bullion, valued at £1,214,054 was produced, a decrease in quantity of 102,709 oz., and in value of £105,689, as compared with the previous year.

The gold content of the bullion is estimated at 152,050 oz., valued at £1,182,719.

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

Year.	Oz.	Year.	Oz.
1930	120,931	1935	165,277
1931	129,861	1936	164,575
1932	166,354	1937	168,487
1933	161,755	1938	152,050
1934	160,248		

It will be noted that for the year under review there has been a decrease in gold-production of 16,437 oz. It is disappointing to have to record this heavy drop in output, particularly in view of the fact that the production for the previous year was the largest recorded for the past eighteen years. The decline in the figures is due to substantial decreases in the production of gold from quartz-mining and alluvial-mining, amounting for the year to 11,849 oz. and 7,213 oz. respectively. On the other hand, dredge-mining showed an increase of 2,625 oz.

The reduction in gold output from quartz-mines was caused by decreases in the amount of gold won from the Martha Mine, the Waihi Grand Junction Mine, the Golden Dawn Mine, and the Talisman Dubbo Mine. The aggregate production of the Martha and Waihi Grand Junction Mines in 1937 was 59,275 oz., while for 1938 the figure was 51,950 oz., a decrease of 7,325 oz. The production from the Golden Dawn Mine in 1937 was 3,307 oz., but only 966 oz. in 1938, a decrease of 2,341 oz. The output from the Talisman Dubbo Mine dropped from 1,895 oz. in 1937, to 318 oz. in 1938.

The decrease in alluvial-mining is due to two principal causes—firstly, the very dry season experienced; and, secondly, the increased diversion to other occupations of subsidized prospectors. The number of men engaged in alluvial-mining dropped from 2,168 in 1937, to 1,374 in 1938.

Twenty-four dredges operated in 1938, as compared with twenty-two in 1937. Three large dredges are under construction—namely, the Arahura and Ngahere on the West Coast, and the Austral Malay Dredge at Lowburn in Central Otago. It is hoped that during the present year the increased gold-production resulting from the operations of the large dredges recently completed or now under construction will more than offset the past year's reduction in output from the other forms of gold-mining.

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 1938 and 1937:—

Class of Gold-mining.	Production of Bullion.				Dividends paid by Registered Companies.		Number of Productive Claims and Dredges.	
	1938.		1937.		1938.	1937.	1938.	1937.
	Oz.	£	Oz.	£	£	£		
Quartz	435,703	622,336	534,424	710,421	105,041	126,088	59	77
Alluvial	19,929	149,586	27,142	200,024	13,819	14,683	1,088	2,753
Dredging	54,124	442,132	50,902	409,298	98,888	55,533	24	22
Totals	509,759	1,214,054	612,468	1,319,743	217,748	196,304	1,171	2,852