

GOLD DREDGING IN NEW ZEALAND.

Interesting Details of the Development of the Process.

From far-away New Zealand comes an interesting report of the wardens of the West Coast district, where modern gold dredging originated, and where it has seen its greatest development.

Abstracts of the report are published in the New Zealand Mines Record.

The situation in that country is somewhat different from what it is in this country, but there is much to be learned from the experience of the Australian miners. It seems that for some years there has been quite a craze for speculating in the stocks of gold-dredging companies, and, of course, there have been many mismanaged wildcat concerns and costly failures, caused from the booming of worthless stock.

In the Otago district, where there are over a hundred dredges, unusually high waters much of the year lessened the output, but a great many dredges yielded steady and satisfactory returns. Returns from 50 dredges show average weekly returns of from 13 to 167 ounces of gold and a total product of 44,913 ounces. Twenty-one of these paid dividends amounting to about \$225,000.

During the year ending July 30, 1902, 76 dredges in the Otago produced 91,075 ounces. In all New Zealand 100 dredges produced 114,315 ounces, valued at £442,975, and a total weekly average of 30 ounces. Dredges privately owned are not reported upon.

Warden Burgess of the Otago district reports that during the year 31 companies were wound up in his district, some after a dredge had been completed and necessary preparation for work made. This was in many cases for lack of having sufficient capital provided. The warden observes:

"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 show 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 by want of the necessary funds to continue, and less 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.

"There is every probability that there will be a marked increase at the end of this year. Public confidence in dredge mining has no doubt been recently injuriously affected by the want of success attending the operations of many of the new companies which came into existence during the last two or three years, but the steady and satisfactory returns from so many dredges now at work in various parts of the district are

a convincing proof of the value and possibilities of this class of mining."

In the West Coast district thirty-two dredging companies are in liquidation. In the course of his report Warden Hawkins says:

"In order to furnish some standard of the conditions which would make a dredging claim a thoroughly sound investment, it is well to take the case of a company with a capital of £10,000. Then assume that it has a claim which is of such extent and has such other conditions and circumstances as will justify the ascription to it of a life of ten years steady working before it is exhausted. The minimum ordinary working expenses and repairs of such a dredge, with the office expenses, are £2,000 a year. The interest on a mining venture, with all its risks, should not be less than 20 per cent. Given, then, a life of ten years, the investor should look for a return of his principal in ten years, with interest at 20 per cent. Then, supposing that the company paid off one-fortieth of the capital every quarter from the first start of the dredge, the amount required to pay off the principal, with interest at 20 per cent, would be £2,025 a year. That makes, with the £2,000 expenses, a total sum of £4,025 a year—say, 1,156 oz. a year, or something under 100 oz. a month. It does not appear that any company has set itself to deal with the capital and interest on such a plan. There are great fluctuations in gold returns of most dredges from quarter to quarter—fluctuations arising not only from interruptions by weather and mechanical defects, but also by the varying depths and character of the ground worked and the ever-changing value of the wash dealt with. These fluctuations have no doubt deterred companies from ever making the attempt to deal with their output on such a plan. With returns of such richness as the Nelson creek and Pactolus dredges have hitherto yielded, such a scheme would be hardly necessary. In less profitable claims it may be argued that the shareholders are an ever-shifting body and look for profits more than the market prices based on these fluctuations of weekly returns than through the administration of the returns of the claim throughout its life. In fact, the majority of shareholders are speculators rather than investors. Still, it must always be remembered that some shareholders must be left with shares on hand when the claim is worked out."

The Mormon Temple.

The Mormon temple at Salt Lake City is no doubt the most substantial and well constructed religious edifice in the United States, if not in the world. Corner stone laid April 6, 1853, cap stone April 6, 1892 and dedicated April 6, 1893, over forty years of constant labor being consumed in its construction. This magnificent structure 200 feet long, 100 feet wide is built entirely of Utah white granite, beautifully carved, symbolic of the Mormon faith, surmounted by six towers, the highest being 230 feet from the ground, supporting a bronze statue of the angel Moroni. The cost of this building is about \$6,000,000. There are many other attractions at Salt Lake City of interest to the traveler or tourist where a day can be well spent. The Rio Grande is the only Trans-continental route passing directly through Salt Lake City, where a stopover is allowed on all classes of tickets. The service of the Rio Grande lines is unexcelled. Three trains daily between Ogden and Denver, carrying all classes of modern equipment. If you are contemplating a trip to the east, write the undersigned for information regarding rates via the "scenic line of the world." W. C. McBride, General Agent, M. J. Roche, Traveling Passenger Agent, 124 Third St., Portland, Oregon.

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