REEFTON DISTRICT.

Quartz-mining in the Reefton District is at a lower ebb than ever it has been since the commencement of the field. There is very little outside capital coming into the place, and the claims not turning out according to expectations is casting a gloom over those who have their permanent abodes in the place and are depending for their livelihood on the success of the mines. If something is not done to carry on prospecting in this district a large portion of the mining population will have to seek "fresh fields and pastures new." Men will have to sacrifice what little property they have acquired, and, in many instances, perhaps, spend what little money they possess before they get employment elsewhere. It may be said that this is too gloomy a view to take of the aspect of affairs; but, were any one to visit Reefton and obtain possession of actual facts in connection with the workings in the mines, they will come away imbued with the same sentiments. The district is a large one over which payable quartz-lodes have been discovered; but the same system prevails here as in many other places, all the profits in working the mines are divided amongst the shareholders, and no fund put by to prospect and open up the ground and thus postpone the day of adversity.

The Keep-it-Dark Company and Welcome Company have both paid away large sums in dividends to the shareholders: the former paid about £108,033, and the latter £110,250; if only 5 per cent. of the actual profits had been placed to a reserve fund, the former company would now have about £5,401 and the latter £5,512 with which to further prospect the ground. This may not appear on the face of it to be advisable, as some may say that the shareholders are entitled to the use of the money, and when moneys are required to further develop the mine calls can be made. But the evil of this is that, while a mine is paying large dividends, the price of the shares is generally pretty high, and those in a position to obtain the latest information in regard to the workings of the mine have a considerable advantage over the other shareholders, as they know when to put their shares in the market; and people buying them do so with the idea that the mine has been paying a certain amount in dividends yearly for a considerable time, and they expect that the same thing will take place in the future; whereas the person buying the shares may have paid a high price for them, and only got a dividend or, perhaps, two, before the whole of the dividend-paying stone is worked out. The result of this is that a new class of shareholders come in, who have spent the most of their capital on the purchase of shares, and when the evil day comes they are not in a position to pay calls.

It is a question whether the Government of the colony, or nation, where minerals are found should not make it compulsory for companies to create a reserve fund out of a percentage of the profits in working a mine. The minerals are the property of the Crown—at least, so long as they are in Crown lands; and, if the Government intrust men to develop that property to the best advantage, it should have control over the manner in which mines are worked and operations conducted. In many instances, mining is carried on in such a manner that the future development of the workings is hampered to such an extent that large additional expense must be incurred before any fresh works can be undertaken. Indeed, it could even be put stronger than this, seing that, in some instances, the workings have been carried on in such a manner as to destroy any reasonable chance of the mine being again taken up and worked advantageously.

The two companies already mentioned—namely, the Keep-it-Dark and Welcome—are now applying to the Government for assistance to test the deep levels; and, no doubt, other companies, who have spent their capital and received nothing in dividends, may consider that they are equally entitled to assistance: but the field has now arrived at that stage when prospecting will have to be carried on if mining is to continue in the district; and the land where the quartz lodes are situated is not suitable for anything else but mining, and, were that industry to collapse, the land would be valueless, and settlers who have taken up land on the small flats near Reefton would also be ruined, as they would be deprived of a market for their produce.

The cry in the district is, "Get the deep levels prospected"; but it becomes a grave question whether there is a better prospect of getting gold by sinking, or by following the track of the lodes with the view of finding another shot of gold-bearing stone on the same line of lode that has been previously worked. It is well-known that in all lodes there are rich and barren portions, and the prospector is not to be disheartened when these barren patches are met with, so long as the walls of the lode are found well-defined, with only a little soft pug between them. This indicates the track of the lode, and should be followed, with the view of again striking or meeting with ore payable for working. No doubt there is a chance of meeting with payable ore by following the present shots down; but there is no gainsaying the fact that the lodes in New Zealand have got poorer as the depth increased: still, this is no criterion that new lodes will not be found at a greater depth, even should those which have been worked from the surface downwards completely pinch out. This took place at Bendigo, where the lodes in some of the mines completely cut out, and, after sinking through 750ft. of entirely barren ground, fresh lodes were again found, but not so rich as those nearer the surface. We cannot, however, apply the conditions in which the lodes occur at Bendigo to those at Reefton, as the formations in which they occur are entirely different. The country about Bendigo is of a far older formation than that about Reefton, and has never been subjected to so many disturbances, nor have the same dislocations taken place that are so characteristic of New Zealand. We are entering upon a stage in mining which no one can say with certainty whether success will attend the undertaking or not. Men investing their money must be prepared to lose it if the venture does not prove a payable one. The whole question is involved in obscurity, and we shall have to get further data to work on in order to frame a reasonable theory as to the genesis of mineral ores, before we can demonstrate clear ideas as to the depth at which mining operations are likely to be carried on with success in different parts of the country.