ordinary that no attempt to remedy so very serious a defect has been made by subsequent legislation. I think I am justified in the assertion that the whole of the enactments having regard to water rights, are in a most unsatisfactory position Practically, section 21 and its subsections have been a dead letter; and this most important subject has been dealt with under regulations issued by the several local Governments, in conformity with section 11 of the said Act. These regulations appear to have followed in the vein of the subsections referred to, and we may assume that the intentions of the Act have been, in most instances, fairly carried out, and that the legislation presumed to have been effected has been fairly tested. I believe it has been as universally condemned. Whilst rights are granted to divert and use water for mining purposes and to construct races, there is no absolute security of tenure, but a mere holding from year to year by licenses renewable under certain conditions. Again, subsection 10 of the said section 21, which enacts that "two sluice-heads of water shall be required at all times to run down the natural course of any stream for general use," is liable to be made the vehicle of great wrong, and, if the ruling that "general use" includes "mining" is correct, of actual robbery,—the taking, in fact, of one man's property, and giving it to another. Upon this subject I would again refer to the Report of the Otago Mining Commission, p. 2, (Appendix 1871, G. No. 18.) Another question of principle under the existing law which I think objectionable, is, that the annual licenses to use water are granted without fee or payment. Section 28 of the Act of 1866 provides that rent should be paid for water, and absolutely and very properly fixes the rate of fees; but by section 7 of the Act of 1869, the operation of this enactment was confined to "private lands only, and not to lands of the Crown, except such Crown lands shall be situate outside the limits of any proclaimed gold field." The Otago Mining Commission, composed almost exclusively of practical working miners, strongly recommended the imposition of a rental, as will be seen by reference to their Report.

My recommendations upon this subject may be briefly summarised:—1. That the principles embodied in "The Mining Districts Act, 1871," with regard to water rights, races, &c., be adopted, viz., That licenses be granted for a term of years upon an annual payment to be fixed by Statute. 2. That the provison for carrying races through private lands, which is now law under the Act of 1866, be retained. 3. That all details of management be left to be settled by Regulations instead of being inserted as subsections in the Act itself. Regulations have a great advantage in being more elastic and capable of alteraton and amendment from time to time as emergencies may arise, or experience may dictate. I would further suggest that special provision will require to be made to meet the case of that very important branch of mining, namely, ground-sluicing, by rights being given under Statute to occupy to a reasonable extent waste lands of the Crown for the discharge of the *debris* arising from sluicing operations, and for exonerating miners from any legal consequences at common law for fouling streams or rivers in the necessary pursuit of their calling. The arguments used in a recent case in Dunedin, "Queen on the prosecution of Holmes *v* The Superintendent of Otago," upon an information for filling up a portion of the Dunedin harbour, seems to me to point to the fact that whilst sluicing is a most profitable form of mining, it is in most cases carried on in violation of the law as it stands.

Part 4.

Gold Mining Leases.

Should it be decided upon to place the occupation of ground within the gold fields, upon the same basis as under "The Gold Mining Districts Act, 1871," it will not be necessary to make provision for gold mining leases, further than to allow leaseholders, if they so desire, to exchange their present tenure for tenure under the new statute; or should they prefer to retain their leases, to relieve them generally of the oppressive fixed labour-conditions now attached, and to fix the maximum yearly rental. The "licensed holding" will give an absolute security of tenure without one-tenth of the expense, delay, and general botheration connected with the present system of mining leases. Upon this point I refer to sections 12 to 20 inclusive, and Schedule I. of "The Gold Mining Districts Act, 1871," and generally to sections 73 to 78 inclusive of the Report of the New South Wales Mining Commission, 1871, a copy of which has been presented to Parliament.

I may add that the recommendations of the Otago Mining Commission tend generally in the direction I have indicated, although not realising the possibility of leases being superseded by a more simple form of tenure.

Parts 5 *and* 6.

Agricultural Leases and Provisions relating to Leases and Licenses.

Settlement under the agricultural lease system, with the right of purchase within a fixed time, is not now a matter of question or experiment, but has been proved an undoubted success; and I do not know that the present enactments, under which have been issued the very admirable regulations of the Province of Otago, admit of improvement. The difficulties which stand in the way of agricultural settlement upon a scale proportionate to the population of the gold fields, are not to be attributed to the legislation under which such settlement is provided for, but are to be referred to the obstructions in the way of obtaining suitable blocks to set aside for leasing purposes.

Part 7.

Sale of Land on the Gold Fields.

This is a subject which, like agricultural leasing and questions affecting pastoral tenancy, should be dealt with separately from the Mining Statute. I would, however, point out that the Otago Acts referring to the waste lands of the Crown, passed simultaneously with or subsequent to "The Gold Fields Act, 1866," deal with the sale of land within gold fields, and therefore supersede in this respect,