

As to the concessions which should be made to a company taking up this project, then, I think, they should take the form of grants of presumably auriferous land, so that if the race fails to repay itself by its water sales, they may have a chance of obtaining the requisite refund from the profits of their claim. (a.)

The next thing to decide would be to what estimated monetary extent these grants of land should be given. In considering this, the present circumstances of Ross Gold Field must be taken into account.

A large area of ground,—160 acres,—comprising the best part of Ross Flat, is, I believe, now held by the Ross Flat Gold Mining Company,*—(Comiskey & others,)—and they are also the owners of the Totara and Jones's Creek Water Race. This Company, who would under other circumstances, be the largest consumers from the Mikonui Race, own a water race of their own, and it would be largely in their power to dictate terms to the holders of the Mikonui Race as to what rates they should sell water for,—that is, they could without materially injuring their own prosperity, withhold purchasing it until they got it at the lowest rate which it is possible to reduce it. (b.)

Again, as to the sluicing-ground on the terraces around Ross, a large area,—over 20 acres,—of reputedly the best ground is held by two Companies (the Mont D'Or and the Greenland Companies), and they also have their own supplies of water, though the supplies are not such as to place the owners in the same position of independence as the Company on the flat. They would, however, be intermittent purchasers only, as in wet weather their own supplies would be sufficient for them, and it would only be in dry weather they would require to buy from the Mikonui race.

These considerations appear to me to point to low water rates and irregular sales, and hence waste and loss of water and small profits.

The claims above referred to comprise the principal workings in the locality; but the miners generally would, of course, so far as lay in their power, do their best to keep down water rates.

(c.) The best means in the power of a Company to command a reasonable price for water, would be ground of their own, upon which they could use it in case of an endeavour on the part of the others to avoid the payment of reasonable rates.

I think, therefore, a prudent investor putting his capital into a work of this kind, would require a concession of such an area of auriferous ground as might be estimated to recoup to him his outlay on the race.

Of course, it is not likely that he would have to use *all* the water himself, for want of purchasers, nor would it probably be to the public advantage that he should do so; but it seems to me that it would not be prudent for him to omit providing for this contingency, and I think this is a reasonable basis on which the concession might be computed.

From enquiries made, I think the profits from an acre of ordinary auriferous land in locality would be about £700, and (if the existing works are handed over as part of concession,) the probable expenditure required being £71,527, the area from which capital would be recouped would probably be about 100 acres. But of course, in selecting land, it would be impracticable to so select it that it should all be auriferous, so a large allowance would have to be made for this. It is difficult to say what should be allowed; but I think out of an area of 250 acres, carefully selected, 100 acres would be auriferous.

If the Company were required to pay back the cost of the work done (£11,500), the concession would require to be proportionally larger. They would also require sufficient land on each side of the race for its protection—say 3 chains on lower side, and 2 chains on upper (d.)

The conditions required by the Government in the public interests should, I think, be—(1.) That the long tunnel be started at once, and pursued with all proper diligence till completed. (2.) That the section from Donnelly's Creek downwards, be completed within twelve months. (3.) That the portion from head of race to upper end of long tunnel be commenced within two years, and completed within four years. (4.) That up to 15 heads in open race, and 10 heads in supply pipe, the water available shall be at all times open to public purchase at a rate not exceeding £ (e.) per head per week in open race, or £ (f.) in supply pipe, and under rules to be approved by Government. (5.) That, if Company fail to complete race within six years, or to finish the portions within allotted time, Government may take possession, and finish it, and hold it until returns have recouped their outlay. (6.) Government reserve right of purchase. (7.) That, if after completion, the conditions of working are broken, Government may enter and work it at cost of Company. (8.) That the race shall be capable of carrying at least 50 statute heads of water.

The concessions might take this form—(1.) That, unalienated lands may be selected, in blocks of not less than 20 acres, within four miles of Ross, and same reserved up to 250 acres total area. (2.) That, on completion of Donnelly's Creek section, 80 acres will be granted as a special claim under clause 93 of Mines Act; 80 acres more when 120 chains of long tunnel are driven; and 90 acres more on completion of race. (3.) The Company can take necessary land under Public Works Act, and the usual conditions to give them power to carry out work.

The above suggestions are, of course, only rough indications of the line in which concessions and conditions would probably go, the matter being in too early a stage yet to do more.

I am of opinion that the above concessions are the least upon which it would be worth while for any Company to take this thing up, and it is quite likely they would stand out for a good deal more.

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(a.) There is no more objection to making endowments of land on gold fields for construction of water races than to making endowments in agricultural districts for construction of harbors.—C.Y.O.C.

(b.) I doubt this. Their supply is not large enough to enable them to fix a rate for the whole field.—C.Y.O.C.

(c.) Don't think Government would work a claim to advantage with day laborers. They might, however, lease the land, or let the working of it, on terms.—C.Y.O.C.

(d.) Except where passing through existing claims.—C.Y.O.C.

(e.) £3. (f.) £6 to £10.—C.Y.O.C.

* This Company also includes the claim held by R. W. Hanbury & Co., shown on tracing.—F.W.M.