

1900.
NEW ZEALAND.

RIVERS COMMISSION:

INTERIM REPORT OF COMMISSION TO INQUIRE INTO CERTAIN MATTERS RELATING TO WATERCOURSES.

Return to an Order of the House of Representatives dated the 11th July, 1900.

Ordered, "That there be laid before this House an interim report of the Rivers Commission, or so much as is in the public interest desirable."—(Mr. J. ALLEN.)"

To His Excellency the Right Honourable UCHTER JOHN MARK, Earl of Ranfurly, the Governor of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

In compliance with your Excellency's Commission of the 9th day of April, 1900, to inquire into any matter or thing arising out of or connected with constituting and setting apart watercourses into which tailings and waste water produced by or resulting from mining operations may be discharged; also as to the resulting benefit to mining and other industries, and the resulting injury to the agricultural and other industries, that would be effected if such watercourses were proclaimed channels into which the said tailings and waste water from mining operations may be discharged; also the sum that will probably be required to settle claims for compensation or to take the land compulsorily, we have the honour to forward an interim report on the watercourses we have examined up to date, as follows:—

WAI AU RIVER.—(FIRST SCHEDULE.)

The only claim for compensation in connection with proclaiming this river and its tributaries is one of £2,500 from Janet McQuillan, who holds a farm of 258 acres, Section 12, Block 16, Longwood, with riparian rights on the Hollyburn, a tributary of the Waiau River. Your Commissioners do not think that any mining operations will be carried on in the vicinity of the Hollyburn, and are of opinion that no injury will result to agricultural or other industries from the Waiau River and all its remaining tributaries to their sources being proclaimed. There are several dredging claims taken up on the Waiau River, and one dredge has been at work near Belmont. Your Commissioners therefore recommend that the Waiau River and all its tributaries to their sources, with the exception of the Hollyburn, be proclaimed watercourses into which tailings and waste water from mining operations may be discharged.

KENNY'S CREEK, OREPUKI.

Several miners waited on the Commission at Orepuki, and urged the necessity of setting apart Kenny's Creek as a proclaimed watercourse. The evidence tendered in regard to this matter showed that in ordinary weather there is only one sluice-head of water in this creek, that it passes through freehold lands to near its source, and that it will not open up auriferous lands of any great extent. Your Commissioners therefore do not recommend Kenny's Creek to be proclaimed a watercourse into which tailings and waste water from mining operations may be discharged.

OURAWERA CREEK, COLAC.—(SECOND SCHEDULE.)

This creek has been used for over twenty years as a depository for tailings from mining operations at Round Hill, and its bed has been raised to a considerable extent. The water now flows over a width of fully 20 chains at different points along its course. The land adjoining the creek is unsuitable for agricultural or pastoral purposes. There are extensive mining operations carried on in this locality; but no evidence was tendered either for or against the issue of a Proclamation, notwithstanding that due notice was given by advertisement in the newspapers circulating in the district that evidence would be taken at Colac. After careful inspection and inquiry, your Commissioners recommend that the Ourawera Creek, with all its tributaries to their sources, be proclaimed watercourses into which tailings and waste water from mining operations may be discharged.

WAIKAKA RIVER.—(FIRST SCHEDULE.)

There are thirteen dredging claims taken up on freehold land and one claim on a lease in perpetuity in the valley of the Waikaka River and tributaries, and twelve dredging claims on the Waikaka Mining Reserve. There are five dredges at work and six under construction, two of

* Omitted portions of the report are indicated by a line of asterisks.

which are nearly completed. The whole of the claims taken up on freehold land are on alluvial flats, which have good soil from 1 ft. to 2 ft. in depth, and the greater portion of which is covered by water during exceptionally large floods. The Waikaka River and east branch have extremely sinuous courses, with very little fall, and in time of heavy floods the water flows over the valley to an average width of about 30 chains. Floods to this extent, however, have so far only taken place once in a few years. A large area of the low-lying lands in the valley is under cultivation, while the remaining portion is in its natural state.

The landowners claiming compensation state in their evidence that they do not object to clean water flowing over, but if dredging operations are carried on the floods will deposit silt on their lands, and damage their grass and crops to a much greater extent than formerly. Evidence was tendered to the effect that there is a large extent of auriferous ground payable for dredging. The returns from dredges already at work were handed in for the private information of your Commissioners. The dredge-owners did not wish them to be made public until the question of the proclamation of the river and several tributaries had been settled. The average weekly returns from dredges in the Waikaka Valley, as taken from the sworn statements handed in, is 15 oz. 10 dwt. of gold, the average weekly expenses being about 7 oz. These dredges, however, are only comparatively small ones.

The proclamation of a portion of the Waikaka River and tributaries will open up a large field for dredging. Eighteen of the landowners have already sold their low flat lands for this purpose. In some cases they have sold the land in fee-simple, while in other cases they have disposed of the dredging rights. The evidence given at the inquiry showed the prospects of sinking shafts and boring averaged 6 gr. of gold per cubic yard for the whole depth. Some of the other landowners have given options over their lands for dredging, and your Commissioners are of opinion that there are several others now claiming compensation who will dispose of the dredging rights on their land when the river and several tributaries are proclaimed.

Your Commissioners endeavoured to obtain evidence from dredge-masters and dredge-owners in reference to depositing the soil on the top of the dredged land, and the consensus of opinion was that there would be no difficulty in doing so if the dredge were constructed to strip off the soil for a certain distance in advance of the face of the paddock in which the dredge was working before commencing to dredge the auriferous gravel-drift. These dredge-masters and dredge-owners thought it would entail very little extra expense. Your Commissioners are of opinion that if the soil were first taken off and deposited in a proper and even manner on the dredged land it would leave the land, after being dredged, in as good condition for agricultural purposes as it is at present, and would improve the land in swampy flats which at present is valueless for agricultural purposes.

Your Commissioners have examined the whole of the land within the boundaries where dredging is likely to be carried on, and have assessed the probable damage which each landowner is liable to sustain by mining operations. The amount of compensation recommended for the probable damage is set forth opposite each claimant's name in annexed schedule marked "A"; and in schedule marked "B" appear the names of those whose claims are not recommended for reasons stated in the schedule. The total amount recommended as compensation is £4,072 6s. 8d. All the landholders named in the schedules have riparian rights, and acquired their lands subsequent to 1873, with the exception of the under-mentioned, viz.: T. Telfer, D. Telfer, W. McIntyre, and William McDowell. Between the properties of these four claimants and the river there is a 1-chain reserve, but portions of their lands are liable to be damaged by the extra deposit of silt in time of high floods. Taking the whole of the evidence given in reference to the extent of auriferous ground that will be opened by dredging, your Commissioners recommend that the Waikaka River, from its confluence with the Mataura River to the ford on the main road leading to the Waikaka Township at the north boundary of Section 31, Block 3, Chatton Survey District; also the tributary known as Garden Gully, with all its tributaries; also Shepherd's Creek, from its confluence with the Waikaka River to the north and western boundaries of Section 14, Block 1, Chatton Survey District, with all its tributaries up to the said boundaries; also the Little Waikaka River, or east branch, with all its tributaries to their source, be proclaimed watercourses into which tailings and waste water from mining operations may be discharged, but that the other tributaries of the Waikaka River be excluded from such proclamation. (Plan attached herewith.)

GOLD CREEK.—(SECOND SCHEDULE.)

This creek passes through freehold land from its confluence with the Mataura River to the Chatton Mining Reserve, a distance of about six miles. It has an extremely tortuous course, with little fall, so that in very wet weather the water overflows its banks, and covers a large area of cultivated land.

From the evidence taken by your Commissioners, there are only five persons holding land affected by this creek below where the present dredge is at work—namely, Messrs. Matthew Hanley, sen., Matthew Hanley, jun., John Hanley, Robert McNab, M.H.R., and Richardson's trustees. These have not disposed of or offered their lands for dredging purposes.

In ordinary weather there are only about one and a half sluice-heads of water flowing in this creek, and it was given in evidence that this quantity of clean water was required to work one dredge, but an application has been made to construct a water-race from the Okapua Creek to bring in an additional supply of water. The evidence also showed that there are about 2,000 acres of ground in the valley of this creek that will probably pay for dredging. At the present time, however, there is only one dredge at work.

As there is a large area of good agricultural land covered by water in time of floods, a storm-channel would require to be constructed from the point where the creek leaves the terrace to the Mataura River, in order to convey the muddy water and silt from mining operations.

In view of the fact that a number of landowners along this creek wish to dispose of their lands for dredging purposes, your Commissioners are of opinion that satisfactory arrangements will be made between those interested in mining operations and the farmers affected, and therefore do not recommend a Proclamation being issued in respect to this creek.

CHARLTON CREEK.—(FIRST SCHEDULE.)

This creek takes its source in the Croydon Goldfield, and runs through freehold lands to the Mataura River. At the point where it leaves the terraces, at the road leading from Gore to the back country, there are a number of settlers on the west side claiming compensation, who have riparian rights, and who hold an area of about 1,200 acres. The owners of this land entered into an agreement with one of the dredge-owners, who has a dredge working in the Charlton Creek Valley, to allow all the muddy water to flow down the creek passing through their lands for £20 each.

Several of the landowners in the Charlton Creek Valley have either disposed of or given options over their lands for dredging. The evidence also shows that there are five dredging claims taken up in this valley, but on only one of these claims is a dredge constructed and at work.

The landowners in the valley of the creek who have not already disposed of their lands complain that, if dredging is carried on, their farms will be partially covered with silt from every flood, which will practically destroy their crops; and there is good reason to believe that this will be the case.

To prevent the silt being deposited upon the land it would be necessary to construct a storm-channel to carry off the flood-water. This should be constructed by mutual arrangement between the landowners and miners, the majority of whom seem willing to contribute towards the cost of construction of such channel. They, however, state that neither the road nor the railway-bridge is sufficiently large to take the water in heavy floods.

As a number of the landowners are likely to dispose of their land for dredging purposes, your Commissioners recommend that Charlton Creek be not proclaimed a watercourse into which tailings and waste water from mining operations may be discharged, believing that a satisfactory arrangement will be arrived at between the parties interested.

WAIMUMU CREEK.

This creek takes its rise at the base of the Hokonui Ranges, traverses part of the southern boundary of the Croydon Goldfield, and joins the Mataura River near Mataura.

From the point where it leaves the terrace land it runs through a low-lying alluvial flat, and has a very sinuous course to the Mataura River.

A storm-channel has been constructed by a local body, from the point where the creek leaves the terrace, to take a portion of the water in time of floods in a more direct line to the Mataura River; but, from the evidence tendered, the water from this channel in time of large floods overflows, and consequently covers a considerable area of farming land between the terrace and the river.

Thirteen dredging claims have been taken up in the Waimumu Valley on freehold lands above the head of the storm-water channel. Three dredges are at work, and a fourth is nearly constructed. The evidence given in regard to the auriferous nature of this valley showed that one of the dredges got 1,100 oz. of gold for fifty-three weeks' work, which is equal to 20 oz. 15 dwt. per week; while the working-expenses were from 10 oz. to 12 oz. per week. During the fifty-three weeks this dredge has been at work it has dredged 10 acres of ground. The value of the gold obtained from working this area was about £4,477 15s., being equal to £447 15s. per acre. The evidence also showed that the prospects in the other dredging claims were good.

If dredging is carried on in this valley it will be necessary to enlarge the present storm-channel to carry off the water, so as to prevent the agricultural land below the dredging claims being damaged by the deposit of silt. A number of the landowners in the upper portion of the valley, where the land is of very poor quality, have disposed of their holdings for dredging, and your Commissioners are of opinion that a satisfactory arrangement will be come to between the landowners whose lands are affected by heavy floods and those interested in mining operations to construct a new channel, or enlarge the present one, to carry off the whole of the muddy water, as each party will be greatly benefited thereby. Some of the landowners and those interested in dredging expressed their willingness to contribute towards the cost of such a channel.

The whole evidence showed that neither the road nor the railway-bridge was sufficiently large to take the water in time of heavy floods.

Taking the whole of the evidence into consideration, your Commissioners are of opinion that matters will be so arranged between the landholders and those interested in mining operations that the mining industry will not be retarded. Seeing, therefore, that it is to the mutual benefit of all parties interested to work together, your Commissioners do not recommend that the Waimumu Creek be proclaimed a watercourse into which tailings and waste water from mining operations may be discharged.

WAIKAIKAI RIVER.—(FIRST SCHEDULE.)

The Waikaiti River has been used as a watercourse into which tailings and waste water from mining operations have been discharged since the latter end of 1861, when gold was first discovered at Switzer's. In 1862 gold was discovered in Campbell's Creek, and subsequently at Potter's; and in different tributaries of this river mining operations have been continuously carried on ever since.

On the Argyle Creek, an important tributary of the Waikaiti River, there are high terraces of auriferous gravels. These terraces have been worked to a considerable extent, and are still being worked in a lesser degree, by hydraulic sluicing. The adjoining flats are also being worked on the

hydraulic-elevating principle. In consequence of these operations an extensive accumulation of tailings has resulted, the bed of the Argyle Creek being practically filled, and a portion of these tailings is brought down during floods and discharged into the Waikaia River.

Notwithstanding the great quantity of tailings brought down by the Argyle Creek, the Dome Creek, the Garveyburn, and other tributaries of the Waikaia River, the evidence tendered to your Commissioners shows that the bed of the river has not been raised, the velocity of the current being sufficient to keep its channel clear, though its banks in many places have been cut away and its course at times slightly changed. The Waikaia River flows through a low-lying valley, and in time of floods the water covers an extensive area of cultivated land. Some of the claimants for compensation state that at these times the water carries off a portion of their crops and washes away their ploughed land. This, together with the deposition of silt, causes considerable loss every year, and they are afraid, if dredging operations are carried on in the river, it will result in the river-bed being raised, thus increasing the liability of their lands to damage.

The landholders claiming compensation who have riparian rights on the Waikaia River and its tributaries which are likely to be affected by the proclamation of these streams are: Messrs. Tripp, Pinckney, and Tripp, Alexander Gall, D. Gillanders, A. Cameron, and D. and E. Hurley. All of these have given options over their lands for dredging rights to mining syndicates, at prices varying from £10 to £15 per acre, and by this act become parties to the use of the Waikaia River as a sludge-channel, and therefore contributories to the damage arising from mining operations to lands adjacent to the river.

None of the remaining claimants have riparian rights on streams liable to be affected by mining operations, there being a 1-chain reserve between their lands and the river. Some of these claimants have given options for dredging rights over their lands, ranging from £10 to £20 per acre, while one of the farmers has agreed to accept 5 per centum of shares in any company formed to dredge his land in lieu of a cash payment. Your Commissioners do not feel justified in recommending any compensation to those who have given options for dredging rights over their lands, for the reasons already mentioned.

The only damage the other claimants for compensation will sustain is for the extra deposition of silt on their lands in time of high floods. Your Commissioners have assessed what, in their opinion, would be full compensation for any prospective additional damage, and have set the several amounts opposite each claimant's name in schedule marked "C" hereto annexed, totalling in the aggregate £1,335 10s.; while the names of claimants who, in the opinion of your Commissioners, are not entitled to any compensation, for the reasons stated, are set forth in schedule marked "D" appended hereto.

One dredge has commenced work on the Waikaia River, about half a mile above Messrs. Tripp, Pinckney, and Tripp's land. This dredge is leaving a large bank of tailings in the centre of the river, which may have a tendency to scour away the banks. This method of depositing the dredged material is causing alarm amongst the farmers lower down the valley, who are afraid that if dredging operations are carried on in this manner opposite their farms they may be the cause of the river changing its course and cutting away portions of their lands. This, however, would not occur if the dredged material were deposited on the banks on each side.

Several companies have been formed to carry on dredging, and a considerable portion of the river and adjacent lands has been taken up as dredging claims; but, owing to the great demand there is at the present time for the construction of dredges, and the whole of the engineering firms being fully occupied, it will take at least three years before many dredges can be at work in this locality. Portion of the timber for one dredge is on the ground at Dome Creek, but a considerable time must elapse before it will be completed.

Taking into consideration the evidence tendered, and from personal examination of the different properties, your Commissioners recommend that the Waikaia River and its tributaries to their sources be declared channels into which tailings, waste water, and *débris* from mining operations may be discharged.

TITIPUA AND HEDGEHOPE STREAMS.

There is a large extent of land in the valleys of the Titipua and Hedgehope Streams which, judging from its formation, is to a certain extent auriferous. On that portion known as the Pebbly Hills, lying between the Titipua and Hedgehope Streams, mining on a very limited scale has been carried on for several years, and from what could be ascertained men have been able to earn about £1 a week with a cradle. Several dredging claims are said to have been taken up in the valley of the Titipua, but your Commissioners have no evidence to show the value of the prospects obtained, and are of opinion that sufficient prospecting has not been done to prove whether the land is likely to become payable for dredging or not.

In the valley of the Titipua, which is a tributary of the Hedgehope, and joins that stream about a mile above the confluence of the latter with the Makarewa River, there is a large area of land of comparatively poor quality which, if dredged and the soil returned on the top of the dredged material, would be rendered better for agricultural purposes than it is at the present time. There is only a limited area of land under cultivation along this stream, while the greater portion immediately alongside is in its natural state.

On the Hedgehope the land is cultivated on the north side for a distance of about eight miles above its confluence with the Makarewa River, and on the southern side for about half this distance.

As the waters from the Makarewa, the Hedgehope, and the Titipua in time of flood cover an extensive area of cultivated land, and the probable claims for compensation would be considerable, your Commissioners do not feel justified in recommending the issue of a Proclamation until prospecting has been more extensively carried on.

Seeing that large areas of alluvial flats having good agricultural soil and many streams with low banks are taken up in dredging claims, your Commissioners are of opinion that regulations are required to make it compulsory for the holders of dredging claims to leave the dredged material so as not to obstruct the flow of water in creeks or rivers, and that where there is good soil on the surface of alluvial flats, such soil be taken off before commencing to dredge the auriferous gravel-drift and deposited on the top of the dredged material.

Minutes of evidence taken by your Commissioners are transmitted herewith.

All of which matters we respectfully submit to your Excellency.

Given under our hands and seals, this 13th day of May, 1900.

(L.S.) HENRY A. GORDON, Chairman.

(L.S.) DAVID BARRON.

(L.S.) JOHN HAYES.

(L.S.) T. Y. DUNCAN.

To His Excellency the Right Honourable UCHTER JOHN MARK, Earl of Ranfurly, Governor of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

In accordance with your Excellency's Commission of the 9th day of April, 1900, to inquire into matters in connection with certain rivers in the Land Districts of Otago and Southland, we have the honour to forward you our second interim report, as follows :—

TOKOMAIRIRO RIVER.

The main branch of the Tokomairiro River from its source to Glenore passes through hilly country, where mining operations on a very limited scale have been carried on for the last thirty-seven years. The principal gold-workings during the last eight years have been on the mining reserve between Manuka Creek and the Tokomairiro River, where the ground is worked by hydraulic sluicing. The tailings from the workings are deposited on a small flat alongside Manuka Creek. During every flood a certain quantity of these tailings is brought down by this creek, which has a great fall, and is lodged in the Tokomairiro River at the point where it passes through the Mount Stuart Estate, which is a freehold property.

Near the confluence of the Manuka Creek and the Tokomairiro River there are several small flats having an aggregate area of about 15 acres, portion of which is covered with water in ordinary floods; but the accumulation of tailings at the mouth of the Manuka Creek is raising the bed of the Tokomairiro River at this point, and thereby increasing the liability of the land referred to, to flood.

Hydraulic-sluicing operations are also being carried on in Shepherd and Fellowburn Creeks, both of which are tributaries of the Tokomairiro River. The water from the workings in the latter creek flows into a race constructed by the owner of the Mount Stuart Estate for the purpose of supplying water-power for chaff-cutting and other purposes, and silts up the race to such an extent as to curtail its carrying-capacity.

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At Glenore the Tokomairiro River enters a large plain and traverses it by a sinuous course for a distance of about eight miles, thereafter passing through hilly country for about six miles to the ocean. Where the river passes through the Tokomairiro Plain the channel is very narrow, and in some places is choked up with willows, which grow right across it; while in other places the branches of willows on each side of the banks meet in the centre of the river, and, catching all the floating *débris*, form what might be described as temporary dams across the river. Farmers whose lands are adjacent to the river, but who hold no riparian rights, state that, owing to the fact of there being a reserve between their lands and the river on the south side, they consider it is the duty of the Government to keep the channel clear, though they fully acknowledge they have made use of the reserve for farming purposes without being called upon to make any payment by way of rental. It is quite apparent to your Commissioners that, unless these obstacles are removed, the adjacent lands will be far more seriously damaged than hitherto in high floods.

All the farmers having land alongside the river state that portions of their holdings are flooded three and four times every year, but the evidence taken by your Commissioners shows that the land is not more subject to flood than it was before the commencement of mining operations. Evidence was tendered to the effect that the bed of the river had been raised by the deposit of silt since dredges commenced work, about seven years ago. Other evidence, however, showed that there was no perceptible difference in the height of the river-bed on the fords during the last thirty years, though the channel was gradually getting narrower by the accumulation of vegetable growth and silt deposited from muddy water, testimony which appeared quite proved to your Commissioners on personal examination of the river.

The banks of the Tokomairiro River where it passes through the plain are generally much higher than the surrounding land, and when the water overflows the banks it covers a large area for a considerable distance back from the river. This is particularly instanced in the case of land across the railway from the Meadowbank Estate, where it is stated that in very high floods the water covers portion of the railway, and extends for fully a mile back. Claims for compensation are therefore made by landowners whose lands do not abut on the river, but which are liable to be covered with silt from dredging and sluicing operations.

The first dredge placed on the river was on the mining reserve at Glenore about seven years ago. Since then four other dredges have been constructed, and are at work in the bed and on the banks of the river lower down. Two farmers have made arrangements with dredge-owners to dredge portions of their lands on their receiving £2 per week during the time the dredges are at work, and 7½ per cent. of the value of the gold extracted from the land after the first 10 oz. per week, which represent the working-expenses. Another has sold land in fee-simple for £14 an acre,

while one farmer has given 6 acres of his land to be dredged on consideration of his receiving one-eighteenth interest in the company. The dredging companies at present at work have taken up claims which extend about two miles and a half down the river from Glenore. Below this the river and banks are pegged out in dredging claims to the sea. Your Commissioners endeavoured to ascertain the auriferous value of the land so pegged out, but were unable to obtain any evidence as to any prospecting having been done; indeed, the bulk of the evidence in regard to the ground that is already being worked by the dredges is that the quantity of gold gets less the further they go at right angles from the original bed of the river. It may be mentioned that one of the farmers—namely, E. F. Palmer—has pegged out a dredging claim along the river passing through his land, but there is no evidence to show whether gold of a payable character for working will extend below the present dredging claims or not. All the claims which have been pegged out are of a speculative character, and entirely dependent for future working on the results obtained from the Riverbank Company's dredge, the dredge lowest down the river, which has commenced work.

In regard to the auriferous value of the land already dredged, the evidence tendered shows that the value of the gold extracted is equal to about £1,000 per acre, while one of the dredging companies, the Glenore, obtained gold to the value of £12,693 from 6 acres. One of the other dredge-owners also stated that the average yield of gold obtained for twelve months was 15 oz. per week, and an average obtained from another dredge was stated to be from 18 oz. to 20 oz. per week. The working-expenses, including wear-and-tear, vary from 8 oz. to 11 oz. per week, according to the dimensions and lifting-capacities of the respective dredges.

ADAM'S FLAT.

There is one small dredge at work on Adam's Flat, where gold-workings have been carried on for a number of years. This dredge is intended to work the old ground. After leaving Adam's Flat the creek by which it is drained passes through freehold lands to the Tokomairiro River for a distance of about four miles and a half.

The farmers having land alongside the stream, all of whom have riparian rights, state that it is the only water they have for their stock, and if dredging operations are carried on it is rendered unfit for drinking purposes; further, that in time of floods the water from this creek overflows its banks, and if dredging continues silt will be deposited on the adjoining flat land, and will render the grass on such land unfit to use for stock for some weeks.

It was made clear that this dredging company has acquired the whole of the dredging ground in this locality, that there is an insufficient supply of water to work a dredge in the summer, and that the dredge has been working for nine months at a loss, though it is expected that richer ground will be found ahead which will recoup the loss sustained.

Taking the whole of the circumstances into consideration, your Commissioners think that an amicable arrangement may be come to between this company and the farmers, whose claims aggregate £3,090, whereby the company may carry on operations, and would recommend that Adam's Creek be not proclaimed a watercourse into which tailings, waste water, and mining *débris* may be discharged.

NORTH BRANCH.

On the watershed of the north branch very little mining has been done. The only evidence tendered with regard to the auriferous nature of the land on this branch was that one of the farmers had pegged out a dredging claim and done some prospecting, but the prospects obtained did not warrant him proceeding further. The water from this branch is used for supplying the Government railway at Milton, the Bruce Woollen-mill, flour-mills, and a fellmongery establishment, and it appears to be the principal water-supply for industrial purposes for the Town of Milton. Your Commissioners therefore do not recommend that this branch be proclaimed a watercourse into which tailings, waste water, and *débris* from mining operations may be discharged.

SOUTH BRANCH.

In regard to the expediency or otherwise of proclaiming the main or south branch of the Tokomairiro River and all its tributaries above Glenore to their sources in order to allow dredging operations to be carried on, this is a question which your Commissioners have considerable difficulty in dealing with, owing to no prospecting having been done further down the river than about two miles below Glenore Railway-station. The area of mining claims on which dredges are at work is about 200 acres, and the area of good agricultural land likely to be injuriously affected by dredging operations is about 1,600 acres, for prospective depreciation of which your Commissioners have assessed as fair compensation the sum of £4,538 18s., as set forth in schedule marked "A" appended hereto.

The farmers, in their evidence, state that they do not object to sluicing operations in the tributaries above Glenore, as the water, before it comes down the river to the plain, is clarified, and can be used as drinking-water for stock; but they strongly object to dredging operations at the head of the plain.

The dredging is almost exclusively on freehold lands, from which neither the Government nor the local bodies will derive any direct revenue.

The weight of the evidence taken shows it would be little or no benefit to those engaged in the dredging industry to proclaim any of the tributaries of the main river below Glenore, as no prospecting has been done to prove whether or not there is sufficient gold in the ground to warrant the expense of constructing machinery and appliances to obtain it.

Taking the whole of the circumstances into consideration, your Commissioners are doubtful as to the expediency at the present time of proclaiming the main or south branch of the Tokomairiro River, with all its tributaries to their sources above Glenore, as watercourses into which tailings, waste water, and *débris* from mining operations may be discharged.

Regarding the question of riparian rights, a number of the farmers on the north side of the main branch of the Tokomairiro River consider they have such rights. The land was surveyed in the earliest days of the settlement of the colony, and a reserve was left along the river-bank for a road. Subsequently, for the purpose of providing a better and more direct road than that following the banks of the river, the Provincial Government of Otago entered into an agreement with the different landowners to exchange the original road reserve along the river-bank for the present road. Several farmers have obtained titles to the portions of this road reserve fronting their respective holdings, but others have not had their titles issued. In dealing with the question, your Commissioners have only recognised as holding such rights those who now hold titles to this road reserve.

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WAIPORI RIVER.

Since notice was given of intention to proclaim this river as a watercourse under section 152 of "The Mining Act, 1891," all the claims for compensation have been settled with the exception of three, namely: New Zealand Trust and Loan Company, £1,100; William McIndoe, £100; John Shenan, £550.

Your Commissioners have examined the properties belonging to these claimants, and recommend the payment of the following amounts as compensation: New Zealand Trust and Loan Company, £750; William McIndoe, Clinton, £50; John Shenan, Berwick, £400.

During the last three years mining operations have been conducted on a much larger scale in this locality than hitherto. At the present time there are being worked eight dredges, seven sluicing claims, and two quartz-mines, on which 170 men are employed. Several other dredging claims have been taken up, and dredges are under construction to work them.

Your Commissioners would recommend that the Waipori River and its tributaries to their sources be proclaimed watercourses into which tailings, waste water, and *débris* from mining operations may be discharged.

All of which matters we respectfully submit to your Excellency.

Given under our hands and seals, this 18th day of June, 1900.

(L.S.) HENRY A. GORDON, Chairman.

(L.S.) JOHN HAYES.

(L.S.) J. P. MAITLAND.

(L.S.) T. Y. DUNCAN.

Dunedin, 18th June, 1900.

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