

If richer ground were discovered, which could be commanded by the water-races now brought into Gabriel's, the water-owners would of course divert their races to the new ground, and the sludge channel would become useless, as it could only be worked by bringing into it the whole of the water now available.

When I visited the district with the view of reporting on this subject, I was accompanied over the ground by Mr. Squires, the secretary, and Mr. Morrison, one of the committee. I addressed several queries to them, a copy of which, with their replies, is attached. Although these replies embody only these gentlemen's individual opinions, they are important as being probably representative of the opinions of all who are interested in the subject, or at least of the majority of them.

JOHN CARRUTHERS,
Engineer-in-Chief.

The Hon. the Minister for Public Works.

Sub-Enclosure to Enclosure No. 3.

SLUDGE CHANNEL, TUAPEKA.—3rd February, 1875.

Queries put to Mr. Squires, Secretary, and Mr. Morrison, one of the Committee—with Answers.

1. Should a sludge channel be formed, by whom and in what manner would it be used?—It would be used by a company formed of the miners of the district, who would sluice out the old tailings, and the original bottom of Gabriel's Gully, down to the bed rocks,—they reserving the right to the gold they find. For this purpose the bed of the gully now covered with tailings, and above the future sludge channel, will have to be reserved to the company; but miners may take up claims on the hillsides, throwing their tailings into the gully as at present. No auriferous ground would be interfered with, except that now covered with tailings.

2. Would the owners of water rights sign an agreement to allow the water brought by them into the gully to be used by the users of the channel free of charge, or at what charge (if any)?—Owners of rights would give an undertaking to give the water free of charge.

3. Would the owners of water rights sign an agreement not to divert their race into any other gully or stream than Gabriel's Gully?—The owners of more than 75 per cent. of the water are also owners of the Blue Spur, and would therefore not give up the washing of their ground. A guarantee that the water would in no case be diverted would not be given, but a guarantee would be given that would be satisfactory to the Government.

4. Would the company, or other users of the channel, be able to use the tailings without charge? If so, what security is there that charges would not be made hereafter?—Yes; and the present companies who have any claim to them would sign an agreement to transfer them to the company.

5. Is it proposed to pay anything for right to use the channel, or not? If so, how much?—This has not been considered by the proposers of the company, but they hope to be put on the same footing as miners elsewhere, for whose benefit works have been carried out.

6. What proposals are there for acquiring the mining claims already existing in the bed of the gully, both above and below the sludge channel?—The company will arrange for acquiring any such rights above the channel. For rights below the channel, the ordinary mining laws will give the right to the company to discharge tailings there.

7. Would the company take all responsibility in regard to injury to property, which would result from raising the bed of the creek below the sludge channel,—particularly in Lawrence, where freehold land would be buried, or rendered liable to injury from floods?—The works would have to be so designed as not to dam back water into the town, or to deposit tailings in such places as would do damage to private property. This would not be difficult; but if the works should fail to prevent injury to private property, the company would be responsible for all damages. The company would renew and repair the race, and take all the liabilities of proprietors.

8. How much water can be counted on?—The present quantity would be 2,000 inches, but it could be easily increased to 3,000 inches, running for eight hours. This is dependent on a dam being made to utilize Gabriel's Creek.