

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.