

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.