

1509. *Dr. Findlay.*] What was done then?—A long tunnel was put in to cut them; but I think, through mismanagement and high wages, they gave up just before they reached the reefs.

1510. How long ago?—About the same time ago. I may say that about ten years ago a company was formed in Christchurch to further develop these reefs. £1,300 was found, and a tunnel 500 ft. long was run into the hill from the Taipo side; but the manager took the wrong level, and, instead of this tunnel cutting about 60 ft. below the bottom of the shaft, it went up into it, and the Christchurch investors refused to spend any more money, and they stopped further development.

1511. You consequently say that the money was wasted?—Entirely wasted.

1512. There has been no proper exploration of the country at all?—No.

1513. In your opinion, has the country been properly tested yet?—No.

1514. Is there any immediate prospect of it being tested?—Yes; I am trying to get a low-level tunnel driven through Kelly's Range to see whether the reefs live and increase and bear gold as they go down. Reef-ton experience shows that the reefs live, increase, and bear gold to a great depth, an important point proved for Westland.

1515. There have been miners working on the creek which cuts these reefs, I believe, for years?—Yes.

1516. Getting gold?—Yes; rough gold, just like peas and beans. It is well known they have been getting a large quantity of gold.

1516A. You know this country intimately?—Yes.

1517. Do you not own the run in which part of these reefs lie?—Yes. I wish to add that a sample of cinnabar has been found in close vicinity to these reefs.

1518. Lately?—Last fall. I sent a sample of that cinnabar to Wellington to be assayed. It was assayed by Mr. Skey, and I think it went 79 decimal something per cent. of mercury.

1519. You say you have been thirty years in the district, and you know the country intimately, and you have made an examination of the reefs yourself: are you so satisfied of the prospects offered by these reefs that you could, for instance, seriously invite the Commission here to put their money into it?—I could. I would put my own money in it to run a low-level tunnel into the hill. It would probably take £2,500 to make that test.

1520. And you think there is the country and prospects there which might really in the near future give a town as large as Reef-ton?—I honestly believe so.

1521. You are not over-sanguine?—No, I do not think so.

1522. You are a Scotchman?—Yes. I would wish to add to this that just recently—I do not know whether they are working at present, but recently they were working what they call the "fine-gold terraces" in the gorge of the Taipo, and these terraces gave exactly the same sample of gold as I found in the casing of the tunnel I mentioned.

1523. *Mr. Bell.*] How far is the casing away from the terraces?—About four miles. I hold there are other reefs there from which this fine gold has been washed; all the way up to the Wilberforce is golden country.

1524. *Dr. Findlay.*] And you told us that, in your opinion, the country has never been properly explored, and that a proper examination would prove what you say?—Yes.

1525. Now, with regard to dredging, do you know if there are any dredging areas?—Yes; at the head of Lake Brunner there are surface indications. There is a nice sample of gold and black sand there.

1526. And you think there is a possibility of the areas being profitably dredged?—Well, the surface indications show gold, and they will be tried.

1527. Is there anything afoot for the purpose of getting them tried?—We are going to do so. The land is in the hands of three private owners.

1528. Are you one of them?—Yes.

1529. And you are really about to have the country tested?—Yes.

1530. Has any bore been made for oil at Kotuku?—I think there has been no bore made. A prospectus has been issued with a view to forming a company.

1531. What indications are there of oil there?—From my personal knowledge, I do not know.

1532. The oil has only lately been discovered, I understand?—Yes, it is not very long since.

1533. And the answer you have given to me as to why this country has not been opened earlier is that it has not been properly prospected?—Yes.

1534. In the days when these operations took place there was no railway?—No.

1535. And how long has the railway been opened to Jackson's?—Something like five years.

1536. Then, is it a fair inference that the presence of the railway running nearer these reefs will facilitate and hasten the development of them?—It will, because the railway will be able to put the plant down for working these reefs. The railway goes within 300 yards of where a plant could be put down to work reefs.

1537. And the machinery would be carted to Jackson's, supposing the Government refused to allow it to go over the line?—Yes; there is a good road.

1538. Would that be one reason why the development has not taken place earlier?—Yes. I wrote to the Hon. the Premier with a view to getting Government assistance to put in a low-level tunnel. He knows the country quite well.

1539. Do you think that if we called him as a witness in Wellington he would confirm what you say?—Yes, I think he will.

1540. And you want money to develop it still?—I wanted to see what assistance the Government could give, and his reply was that the Government could only give the ordinary assistance, and it is such a big enterprise that such ordinary Government assistance would rather embarrass any company that started. Therefore I considered it was not worth looking further into.

1541. *Mr. Fraser.*] You mean the conditions the Government would impose would embarrass any company?—Yes; because you clearly see that at least three big claims and a number of water-