

1903.  
NEW ZEALAND.

## GOLDFIELDS AND MINES COMMITTEE :

REPORT ON THE PETITION OF A. CLIFTON AND OTHERS, MINERS, OF THE COUNTY OF WESTLAND.

*Brought up on the 4th day of September, and ordered to be printed.*

### ORDER OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

FRIDAY, THE 3RD DAY OF JULY, 1903.

*Ordered*, "That Standing Order No. 211 be suspended, and that a Goldfields and Mines Committee, consisting of sixteen members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Bennet, Mr. Colvin, Mr. W. Fraser, Mr. Herdman, Mr. Herries, Mr. Kidd, Mr. R. McKenzie, Mr. Millar, Hon. C. H. Mills, Mr. Moss, Mr. Reid, Right Hon. R. J. Seddon, Mr. Smith, Mr. Witheford, and the mover."—(Hon. J. McGOWAN.)

TUESDAY, THE 28TH DAY OF JULY, 1903.

*Ordered*, "That the petition of A. Clifton and others be referred to the Goldfields and Mines Committee."

## PETITION.

To the Honourable the Speaker and members of the House of Representatives of the Colony of New Zealand in Parliament assembled.

THE humble petition of the undersigned adult residents of the County of Westland sheweth:—

(1.) That a large area of auriferous ground, which has been proved payable, exists on the south side of the Hokitika River at Rimu, and in its vicinity.

(2.) That, owing to the height of the auriferous deposits above the level of the river, it has been found impossible for individual enterprise to bring in more than a very small supply of water.

(3.) If a good supply of water could be brought on to the terraces in the vicinity of Rimu at a suitable elevation, profitable employment would be found for a large population for many years to come.

(4.) The Humphrey's Hydraulic Sluicing Company (Limited) has constructed a water-race from the Arahura River, about seventeen miles along, carrying forty heads of water, which is delivered at Humphrey's Gully at an altitude of about 530 ft. above sea-level.

(5.) An extension of the race mentioned in the last paragraph, of nine miles, would bring the said water-race, by way of Blue Spur, to Rimu, and deliver water there at an altitude of about 440 ft. above sea-level.

(6.) That auriferous deposits exist at Blue Spur, for working which water from this proposed extension of race would be available.

(7.) That no other considerable quantity of water can be brought on to the Rimu terraces at the same elevation as that from the Humphrey's Gully race, and the greatest elevation possible is desirable for working such terraces.

That we believe ready sale would be obtained for all water brought in by means of the suggested extension.

Wherefore your petitioners humbly pray,—

(1.) That the water-race of the Humphrey's Hydraulic Sluicing Company (Limited) be acquired by the Government of the Colony of New Zealand, and extended to Rimu by way of Blue Spur.

(2.) In the alternative, that the Government will subsidise and otherwise assist private enterprise in undertaking the said work, or take such other steps as it may deem advisable to secure an adequate supply of water for the purposes mentioned.

And your petitioners as in duty bound will ever pray.

A. CLIFTON and 343 Others.

## REPORT.

PETITIONERS pray that, in order to the working of a large area of auriferous ground which has, they allege, been proved payable at Rimu and its vicinity, the Humphrey's Hydraulic Sluicing Company's water-race be acquired by the Government. As an alternative, petitioners pray that the Government subsidise and otherwise assist private enterprise in the work of bringing water for mining purposes on to the alluvial ground at Rimu.

The Goldfields and Mines Committee, having taken evidence and given due consideration to the prayer expressed in the petition of A. Clifton and others, have now the honour to report that they recommend that the petition be referred to the Government for favourable consideration.

Parliament Buildings, 4th September, 1903.

JAMES COLVIN, Chairman.

## MINUTES OF EVIDENCE.

WEDNESDAY, 5TH AUGUST, 1903.

H. L. MICHEL, Mayor of Hokitika, examined. (No. 1.)

1. *The Chairman.*] The Committee will be pleased to hear what you have to say in reference to this petition?—Briefly, the position is this: The Back Creek or Seddon Terrace Goldfield was discovered in 1888, I think. It has been worked, as far as the miserable supply of water available would allow, ever since that date, and the value of the field has undoubtedly been proven. It is, in fact, considered by all those who ought to know to be quite equal to the Kumara Goldfield, which I think I am right in saying was the biggest alluvial goldfield discovered in the colony during the last thirty years. Various local bodies and the people of Westland have continuously urged the Government to procure a supply of water to be taken on the goldfield from Lake Kanieri, and we have always thought that such a work was of colonial importance. I think this is the only big goldfield ever discovered in the colony that has not received some special assistance from the Government. I speak subject to correction, but I think I am justified in saying that. Since the beginning of the year the miners have only had some seventy-two hours of water to work with, and in spite of that drawback those who have claims have been able to exist, and perhaps a little more, which proves the great value of the field. The number of men employed is small compared with what would be employed if a supply of water were obtained. In fact, it is estimated that there would be a large increase in the population of that district if a supply of water were brought on the field. We have never been able to understand in Westland why the Mines Department or the Government have not viewed more favourably the necessity for bringing in water on the field, but latterly we have come to the conclusion that the Mines Department have not been satisfied that the Lake Kanieri water was high enough. I think from what I have heard during the past few weeks that the Mines Department and the Premier are of that opinion. We are now here to say that another proposal has been made—namely, that the water should be brought from the Arahura River or Humphrey's Gully, and in this connection I might say we are now in touch with a company or syndicate which we believe would bring water on to the field if reasonable assistance was given by the Government. At first we were in hopes that the Government or Mines Department would purchase the rights of the English company referred to, and bring the water on to the field as many have advocated that the water should belong to the Government, by whom it should be supplied to the miners. Failing that, we urge that a subsidy should be placed on the estimates to aid the bringing-in of an adequate supply of water to the field. If a company were unable to raise the necessary capital of £50,000 or £60,000, then it would be like the offer made in connection with the Ross Flat—the work would not be undertaken. If, on the other hand, a substantial sum of money were placed on the estimates, we are justified in believing that the company already referred to would bring the water on to the field even if it cost all £60,000. It is a mining venture, but I believe the prospects are so good that the water would be taken through if a subsidy were forthcoming. So far as Lake Kanieri is concerned, which we always believed was available for the field, it is 422 ft. above sea-level; but the water now suggested as being more suitable is from Humphrey's Gully or the Arahura River, which is 530 ft. above sea-level, or 108 ft. greater altitude. I strongly urge the Government to look upon this project as of colonial importance as well as worthy of local consideration; and I again emphasize the fact that it is the only goldfield, as far as I know, in the Colony of New Zealand which has not received some consideration at the hands of the Government. I shall only be too glad to answer any questions which you, sir, or any members of the Committee may deem it necessary to ask me.

2. *Mr. Herries.*] What do you estimate is the cost of the extension of Humphrey's Gully Water-race?—From £50,000 to £60,000. I will quote what Mr. Spencer, of Reefton, writes. He is the responsible engineer of the Humphrey's Gully Company: "The undertaking of conveying the water to that creek will in any event prove a costly one, and it is possible that it may prove beyond this company's means, or those of any other local company, and it seems to us that the Government would have to subsidise the undertaking to a much larger extent than £15,000 if it is to be taken up as a private venture." I may say that I suggested £15,000.

3. That is the cost of the extension from Humphrey's Gully?—Yes.

4. How much would it cost from Lake Kanieri—would that be less expensive?—The owners of the Kanieri Lake rights, Grimmond and party, have already spent about £3,000; but failed,

owing to the conditions then existing, to obtain the necessary capital; and I think the estimate was from £40,000 to £50,000. I believe it would be more costly from the Arahura River.

5. If taken through the Humphrey's Gully would there be sufficient water to supply the needs of the Humphrey's Gully people and also Rimu?—I would think so; and the consolidated company proposed to take what is equal to 120 heads for eight hours per day, which I believe is considered ample for all requirements. It is proposed that the price charged to the miners would be very much less than what they are now paying. There is a water company supplying water, but the supply is so intermittent that it is almost useless, and the miners are paying about 10d. per head instead of about half that. The whole of that district is impoverished for the want of a water-supply.

6. Have you any statistics showing the amount of gold got out of the district?—Since 1888 it has carried a considerable population in spite of the miserable supply of water, and the gold returns, whenever there are two or three weeks' rain, show splendid results. Men will earn when they have water as much as £10, £20, £30, £40, and up to £50 per week, and then they may be six weeks without getting anything in consequence of the want of water.

7. If the field was connected with Humphrey's Gully supply, would there be any objection on their part?—It would be the Humphrey's Gully or New Zealand Consolidated people who might undertake the work. In fact they are the people we are really dependent upon. There is no chance of raising the money locally, as the amount is too big. The Consolidated Company say that there is a danger that it might prove beyond their means.

8. Mr. Spencer is an official of the Humphrey's Gully Company?—He is the engineer of the Consolidated Company. Lake Kanieri water would not, it is considered, command anything like the extent of country that the water of the higher altitude would.

9. *Right Hon. Mr. Seddon.*] I think the question that Mr. Herries put to you you did not understand, that was whether there would be sufficient water to supply the customers of the Humphrey's Gully along the race there as well as to supply Back Creek, and you have not explained that they intend to build a reservoir in order to store the surplus water not required by the Humphrey's Gully people, and by that means supply Back Creek requirements?—Mr. Spencer says:—"We estimate that we can supply forty heads of water continuously, which, if suitable dam accommodation is provided at Back Creek, will enable 120 heads per working-day of eight hours to be supplied."

10. *Mr. Herries.*] How much do they use themselves?—They have practically an unlimited supply from the Arahura River. It would be only a matter of constructing larger works for carrying it. I think they would take sufficient care to keep back sufficient water for their own requirements.

11. *Right Hon. Mr. Seddon.*] Are you aware that they have widened the race themselves already as far as the point where the Back Creek race would tap it at Milltown?—Yes.

12. *Mr. R. McKenzie.*] What is the water they are bringing in now to Humphrey's Gully?—Their present race is capable of carrying three times the amount of water it is doing at present.

13. What amount of subsidy do you reckon they would require?—I do not think any company would undertake this work unless there was a subsidy of at least £15,000. You have had £15,000 on the estimates for several years past for Ross Flat, and that has not been sufficient inducement to any company to take up the work, and the same condition of things may apply to this.

14. Have you any idea of the approximate distance from Humphrey's Gully to Back Creek?—From the point of the present works, about seven miles.

15. What area of ground would it cover?—If the water was brought in it is estimated to give employment to four or five hundred additional miners, which with their families would mean about a couple of thousand people altogether.

16. And it would give employment for some years to that number?—For, I should say, forty or fifty years. The present claims have been working since 1888, and have made no impression on the faces, as we call them. The amount sluiced away has been very small indeed for the last fourteen or fifteen years.

17. *Hon. Mr. McGowan.*] Why is the amount of ground worked so small?—Because the water is not there to sluice it away.

18. When you got the water-supply, where would the tailings go?—Into the Hokitika River and into the large flat adjacent to the river. A considerable portion of the fine tailings would find their way into the river, which has recently been proclaimed as a tailings-site.

19. Do you consider these terraces are rich?—I do not think there can be any doubt that they are.

20. What is the evidence of their value?—That those who have had this intermittent supply of water have been able since 1888 to make a living there, and the same ground would have given them very large returns indeed if the water had been regular. As a matter of fact, many of them go for twelve or thirteen weeks and are not able to earn a shilling.

21. Is that in consequence of their not having water?—Undoubtedly.

22. Do you believe that there is a good payable goldfield there if you had water at the ordinary rates?—Certainly.

23. Give us evidence of that which would convince the Committee?—Since 1888 the population of several hundreds has existed on the gold won in spite of the miserable supply of water, and it seems to me to be reasonable to adduce from that—that if we had an adequate supply not only would the population be very much larger indeed, but those who are there would be doing very much better.

24. At the present price of water?—Yes, they are paying 10d. per head now. I think it is a very high price to pay for water for that part that might be called low-grade ground.

25. That is the point I wanted to get at—it is low-grade ground?—No, but there is low-grade

ground that would pay if we had the water; but we are assuming that if we had a supply of water some new ground would be opened up. Of course you will see at once that the lower the price of water the better chance we would have of making the poorer ground pay. There is no doubt that the claims working since 1888 are what would be termed rich claims. I do not say the whole of the field would turn out so well as those. But 10d. per head is what they are paying at present for water, and that is a high price.

26. *Right Hon. Mr. Seddon.*] You know the Kumara Goldfield?—Very well indeed.

27. Do you think there is as much ground at Back Creek and Seddon Terrace as there is in the Kumara Goldfield?—I should think so if there was a water-supply. If it had not been for the Waimea-Kumara Water-race such results would not have been obtained there. I think £2,000,000 of gold was won from the Kumara Field.

28. Was the ground driven out at the Kumara at first?—Yes, and afterwards sluiced.

29. Is the Rimu and Back Creek Goldfield driven out the same as at Kumara?—Yes, as I have stated the men do nothing sometimes for twelve or fourteen weeks. I do know that men have driven out small quantities of the ground to keep things going.

30. Now, in sinking shafts at the Rimu Flat to get down to the ground they drove out, did they find gold scattered right through the wash?—Yes.

31. Is it from that fact that it is estimated that with a fair supply of water the ground would pay for sluicing?—Exactly so. That is what I term the lower-grade ground where it would pay to work if the price of the water was reasonable.

32. Could you give any estimate of the area of the ground driven through after the shafts were sunk?—No, I think Mr. Beare, who is connected with the Rimu Miners' Water-race Company, would be able to answer that question better than I could.

33. I mean the number of acres. Kumara was estimated at 300 or 400 acres. You have just now said that Rimu was as extensive as Kumara?—I should think certainly there were more than 400 acres of auriferous country. There is no doubt that it is a very extensive field if the water was there.

34. Kumara was discovered—when?—In 1875.

35. Have you any idea how long it was before the Government water-race was made from Waimea and Kapitea?—It was a considerable time.

36. Would you say, at all events, that the water has been at the Kumara for about twenty years?—Yes, about that.

37. And the claims are still working there and support a large population?—Yes, many of them, and they are carrying a considerable population there now, although they have been working since 1875.

38. You almost make one's mouth water when you tell us that men are earning as much as £50 a week?—There is a claim known as Deehan's, and another as Boyd's, while Clifton and party and others are doing very well. Of course I qualify what I state by saying that they can only do well when they have a good water-supply.

39. If they had a constant water-supply, that would give them some permanency?—Yes.

40. Why, with such possibilities as that, do not these people raise the necessary money to bring the water on the field?—I fail to see why, having these few good claims, it would enable the miners who signed the petition to raise so large a sum as £50,000 or £60,000.

41. Are those claims you allude to fronting on the terrace?—Yes, they are. I do not believe that the several miles of country would all prove so rich as the claims I have mentioned.

42. If they were to go further in working, would they not need to have longer tail-races?—Yes.

43. Well, you described the system adopted at Kumara—have they brought in long tail-races there?—Yes.

44. And those are very expensive?—Very expensive, indeed, especially for ground like that, which is very rough; and very often in bringing in tail-races dynamite and timber are necessary, and run into a lot of money, as some of us know to our cost.

45. The proposal, then, is that there should be a small subsidy given to the company to encourage them to run the risk of constructing the race?—I am afraid a *small* subsidy would not allow the work to be undertaken. I have already quoted from a letter to this effect received from Mr. Spencer, the engineer. People think that if £15,000 were placed on the estimates advantage would be taken of it; but I am afraid it would very likely prove to be a repetition of the Ross Flat subsidy, which has been available for four years, and has never been taken advantage of.

46. Do you think people would back their opinion by putting money into the scheme?—Yes, I do.

47. That is, if the company were trying to raise capital for the construction of the present Humphrey's Gully race at Milltown, people would help them locally?—Yes, I think they would subscribe part of the capital if the Government would help them with a subsidy. I believe the feeling is so strong on the West Coast in this matter that some assistance would be forthcoming, but nothing like sufficient to enable the work to be undertaken as a local concern. Meetings have been held, and the feeling is very strong.

48. Have there been any trial surveys, or any surveys at all, between Milltown and Back Creek?—No, that is a serious aspect of the present position. If the Government would undertake that work—I do not know what it would cost, but it would run into a substantial sum—the probability is that that would be the first thing to do in order to make sure of our height. The figures given of the height of the water are not sufficient to act on without a survey.

49. Are you aware that the Government have a report in reference to bringing in water on this field from the Hokitika River?—I was not aware of it—a recent report?

50. Yes; some four years ago. The cost of the siphon was put down at £40,000 without the

race?—I do not think the water at the terminal works at Humphrey's Gully to the Back Creek would cost less than £60,000 myself. The siphon there would be necessarily a very big item.

51. This is not a new project; the Government themselves have got a complete report regarding it somewhere?—No; it is not new, because we have been urging it with all the power we have for the last ten years. I believe this is the only goldfield in New Zealand that has not received some substantial consideration at the hands of the Government of the day towards its development.

52. You have a number of shafts put down to show what prospects you have at the back?—Yes.

53. And the results of these shafts being put down go to show that it is all payable sluicing-ground?—Yes; I do not think there can be any doubt as to the payableness and extent of the ground as a goldfield.

54. Is there sufficient fall to carry your tail-races from the river, going a distance back?—Yes; you have the whole of the flat between the present river boundary and the terrace itself, and there is a splendid fall—I should think quite equal to that of Kumara into the Teremakau River.

55. The length of the Kumara race is a mile and a quarter, and you would take it a mile and a quarter back?—Yes; but it would take many years to work the front part of the terraces.

56. Take the up-stream part of Seddon Terrace down to Brighton Terrace, what is the distance?—The field has not been developed in the upper portion at all, owing to the entire absence of water. From the present workings I should think it would be two miles and a half.

57. At all events there is a frontage to the river of proved works for a couple of miles.—Yes, fully.

58. And a fall in the river to allow you to go back for a mile?—Yes.

59. *Mr. R. McKenzie.*] Supposing the scheme was carried out, what effect would it have on the Hokitika town?—I do not think the effect on the town would be felt for a great many years—perhaps never—the distance is so great. It is eight or nine miles away. It would be only the finer silt that would go into the river. I think the greater part of it would go out into the ocean. As a matter of fact I do not think thirty years' working has affected the Hokitika River much. The depth of the water in the river itself is as great as it was twenty or thirty years ago.

60. You would have exactly similar results to those in the Teremakau?—I do not think so, because the workings in the Kumara are right on the river. I should not think the heavy tailings would reach the river at Hokitika for the next fifteen or twenty years. Each fresh would take nine-tenths of the finer tailings or silt pretty well to sea.

61. Of course it would have an injurious effect on the Hokitika Harbour?—Well, we have to take our risk of that. We would rather be washed away than die away for want of the water-supply.

62. Is this field you mention all held under claims?—The whole of that the Premier referred to has been taken up in claims, but part of it has been abandoned owing to no water being available. The centre part is now being worked, and the upper portion is all Crown land. That is the reason why we say it would carry an increased population if the water was there.

63. What is held in claims—is it protected or open?—One large claim is held, but most of the country is open for selection. That is to say, miners can take it up, and the moment it is known that water is going to be taken through it, the whole of that flat and the higher part of the country will be pegged out.

64. Are any of those claims held under protection?—One claim is held by Grimmond and party.

65. They are the same people who tried to float a company?—Yes; and failed.

66. Do you know the reason why?—I think the reason was that people were not satisfied that the water from the lake was high enough, and had sufficient pressure for the whole of the field.

67. What is the estimated cost of bringing water to Back Creek?—I think the Consolidated Company estimated the cost at £50,000 to £60,000, if they took it up; but if the Consolidated Company will not take it up I do not think it could be done at all from the Arahura River or Humphrey's Gully.

68. What would be the cost of bringing it from the Arahura River?—If the water had to be taken straight from the Arahura itself to the field, the cost would be very much greater. If the present works in connection with the Humphrey's Gully or Consolidated Company are not utilised I fear the work will never be undertaken, but I am hopeful that if a substantial sum were placed on the estimates for the purpose we might get them to make the necessary extension.

69. *Right Hon. Mr. Seddon.*] What is the extent of Grimmond and party's claim?—100 acres.

70. And they have done nothing with it?—They took it up, presumably, thinking they would float their company, and that the ground would prove a very valuable asset, and no doubt it will.

71. Would it be an inducement to any other company if the Government were to do what it is proposed to do at Ross Flat?—Yes; but I think 100 acres is too much. It would be very good for the people who got it; but looking at it from a colonial as well as a local point of view, we are anxious to see more people on the field.

72. Would you rather have a better subsidy and let the ground be cut up and worked by the miners?—Yes; but I would like to see one claim reserved. The miners would only probably work eight hours a day, and a company might wish to have night water utilised.

73. Do they work at Humphrey's Gully at night?—Yes; they work the twenty-four hours. It is very low-grade stuff that they are putting through. You will see by the cables this morning that the Humphrey's Gully Company has been absorbed by the English Consolidated.

74. *Mr. R. McKenzie.*] You said you preferred to see the holdings made small: would not the effect be the same if the water was utilised?—We want to see as many men get good employment as possible, especially if we are going to look upon it as a colonial venture.

75. *Right Hon. Mr. Seddon.*] The Kumara claims have not been big claims?—No; they are small claims.

76. *Mr. R. McKenzie.*] But you have a limited supply of water which can only supply a certain number of men. Probably the company could keep it going day and night, while the men could not?—I think 120 head for eight hours would be a very large supply indeed. Where the water is brought into a sluicing claim they are not employed in sluicing the eight hours. A great portion of the time the men are employed removing stones and doing other work about the claim, and they may only use their water for two or three hours out of the eight.

77. Is this ground as rough as it is at Kumara?—I think it is about the same class of country. There is no doubt that it is a second Kumara.

78. Suppose the Government reserved all their auriferous ground until the water was put in and then farmed the claims at a rental?—That would be a new aspect altogether on a mining field. There may be something in it; but I think it would be preferable to let the miners take the ground up under ordinary conditions. The local bodies get direct revenue in the shape of miners' rights.

79. Supposing the claims were sold by auction, how much would you get?—The objection to that would be that only men with money would be able to buy the claims, and the average miner would be left out in the cold, or would have to make terms with those who bought the leases.

80. *Right Hon. Mr. Seddon.*] The ground at the present time is taken up by miners' rights on simple application. The revenue goes to the County Council. Would the County Council, which gets the revenue, guarantee the interest on the subsidy that is paid by the Government; or, if that could not be done, if the Government put on this ground as much as was spent in subsidising the race—if they put an amount on the claim per acre, adding the acreage survey, it would be equal to say 4 per cent. on the Government subsidy. It would not be much per acre, and yet it would pay interest. That, I think, is what Mr. McKenzie was driving it?—That would be about £600 a year. The difficulty would be that this poorer ground in the lower part of the flat would be paying the same as those larger claims earning big money when the water was available.

81. Supposing the miners paid £1 a year each, that would practically give you your interest on the subsidy?—Yes, certainly, and it would not perhaps be an unreasonable demand to make on them.

82. There is another way of doing it: that is, you could charge the water at a given price; and it seems to strike me as the best solution of the difficulty. You say the present rate is 10d. My own opinion is that you want to start the price of the water at a higher amount, and you would have to classify the claims, the same as we have done in the Kumara. They would be able to pay 2s. on some ground better than they could pay 6d. on other ground. Supposing you arrange with a company to bring in the water. The charge, say, would be 10d. The Government would get its portion of the payment per head, and the other portion would go to the company. It would be like two parties going into the venture?—Yes.

83. Twopence per head going to the Government would more than pay 5 per cent. on the money we put into it?—I like that proposal better than the proposal for a poll-tax on the miners using the water.

84. If the charge per head were made 8d., with 6d. to go to the company and 2d. to the Government, the company would collect the amount and pay the Government?—I do not think that would be an unreasonable proposal to make. If the field is what we believe it to be the miners could well afford to pay it. The price then would be less than they are now paying.

85. Say the race cost £60,000, the Government would put in, say, £20,000, and the company £40,000. The Humphrey's Gully Company is in exactly the same position as the Government were. The Humphrey's Gully race as a race has paid the company nothing. It simply pays them expenses, and they keep it working; but as to giving them any profit, it simply gives them bare maintenance expenses and nothing more. If the scheme is carried out it will, as in the case of the Kumara race, bring the project to fruition?—In addition to what money they might have to put in they have already put in over £40,000 to bring the water to the present terminal point.

86. Suppose the company would not go on with the extension of the race, do you think you could float a company which, with the Government subsidy, would undertake the work?—Yes, if you made it a condition that we could charge a little more for the water to provide the necessary interest and sinking fund. There is no doubt we should have a better chance of raising the money in New Zealand if we had the right to charge an extra 2d. per head.

T. W. BEARE, member of the Hokitika Borough Council and of the Back Creek Water-supply League, examined. (No. 2.)

87. *The Chairman.*] Do you wish to add anything to what Mr. Michel has said?—I can only corroborate to a very emphatic extent what Mr. Michel has already told you. There are one or two points that might be mentioned to further convince you of the payableness of the field. The Government already recognise that the only way to clear away the tailings is to allow the miners to put them into the river. It may be said that this might have been stopped by the freeholders; but they felt that to do so would injure the industry, and they recognised that it was only a matter of time when the field must be a paying one, and that they would have to concede the right. The river has now been proclaimed as a sludge-channel for tailings. The next point is to show the confidence of the miners in the field. Some time ago there was a small catchment area for the supply of water to the Rimu field, and this was for sale. The miners bought the right, and a series of races connected with it. To do this, and to enable them to build a series of dams, a large sum of money was required. They purchased the water-rights for £5,000, and were required to pay that off, principal and interest, at the rate of £750 a year. So well has the field paid them that they have not only paid the instalments of principal and interest, but now, instead of having a mortgage of £5,000 on the races and dams, they have only £1,000. That money has been

earned almost entirely from their claims on the field; and when I tell you that the miners had such confidence in the development of the field that they were quite prepared to mortgage their huts, residence areas, and whatever rights they had, it shows their belief that the field was a highly payable one. If the water is constantly supplied to these miners, not only will it keep the men who are in the field now going, but it will mean a further number of from three to five hundred miners, who, with their families, will represent a very large population indeed. The extent of the country has been already pointed out. There are three miles of known workings now, and there are probably two miles or more of ground that in the opinion of experts will be worked later on. There is also the Brighton Terrace that will be worked as well. All the claims have now been developed, and most of them are known to be highly auriferous; that is to say, the miners have been able to live there, and earn their living, at the same time paying off their mortgage, while they have had a very limited supply of water indeed. Of course where the ground is rich it does not necessarily follow that the whole of the areas which have been abandoned are as good. The gold is found in patches; and when they get a good patch, to counterbalance that, they have often to go to a very large expense in putting in tail-races. Therefore it does not follow that the average will keep up, but taking it over several years there is no doubt that it is good wages ground. A very large area has already been tunnelled out, and it is well known amongst miners that tunnelled ground is the best for sluicing afterwards. The Chairman of the County Council has sent us a telegram which runs as follows: "In my opinion fully two to three hundred men extra can be profitably employed if water is brought on to Back Creek. There is every probability of payable ground being struck on the line of the race." *En route* to Rimu from the present terminus of the Humphrey's Gully race the ground has proved very rich in the past, and is known as the Blue Spur Field; and no doubt if water is brought on to Back Creek it is probable that great quantities of Crown land which cannot be worked at present will be worked then. That is about three miles from the Back Creek and Seddon Terraces. This is an important matter in considering the question of subsidising the company. It will also open up a large field at Blue Spur. The matter is considered of such importance in Hokitika that mass meetings have been held there, and we have been asked to put the views of the people before the members of this Committee and members of Parliament. It will therefore be seen that the matter is of great colonial as well as local importance. The Blue Spur ground is well known to be auriferous, and it was thought some years ago that it would be connected by water with the Kanieri Lake; but the promoters have been slow, and it is now feared the lake water is too low to command the whole of the auriferous grounds. Most of the people, I think, are now coming to the conclusion that the reason for the delay is the non-efficiency of the supply, and a more efficient supply is required before any company will undertake to expend such a large sum of money as is involved in the scheme.

88. *Mr. Moss.*] If you have any sketch plan we should be able to see what is required. Would it take very long to have one made?—We have not a sketch plan; but I would impress on the Committee the necessity for a trial survey to be made by the Government, because, although we have given figures on very good authority, it would be better to test them. I do not think there would be any difficulty on the part of the company in giving assistance to the Government in verifying figures in surveying the unsurveyed portion of the race. Otherwise, there are only the lithographed maps that could be given by the Department. I do not think they would give you more than the line and the distance. A trial survey would be absolutely necessary before any definite work is undertaken.

89. *Hon. Mr. McGowan.*] Are you aware of any claims having been made for compensation for damage done along the Hokitika River?—Yes.

90. In the face of what has happened, do you think there would be any more claims made for compensation?—I should certainly think not. I do not see how there can be. As far as concerns the damage that will be done to any person along the banks of the river, by the Proclamation of the river I think you have settled all the claims that are likely to be made. There may be one or two small freeholders who have been missed, and who may rely upon the clemency of the Government to give them a few pounds, but otherwise all the claims for the present Proclamation have been settled. The people of Hokitika evidently thought the likelihood of damage was so remote that only four or five residents along the bank of the river at the lower end of the town put in any claims for compensation.

91. *Right. Hon. Mr. Seddon.*] There would be difficulty in proving specific damage from specific claims?—You could not do that. The most that could be done would be to prove prospective or problematical damage. The Government can simply say to future claimants, if any, on the present Proclamation that they cannot claim as they have not given the necessary notice. If anybody is likely to be affected, the Hokitika Harbour Board is an instance; but the members of the Board recognise the importance of getting water on the goldfields, and have never put any obstacles in the way, or applied for compensation. I therefore think you have no reason to fear getting any more claims.

92. Do you think an action for forfeiture would lie for this 100 acres that is blocking the way?—I think there are good grounds for a cancellation suit, and any person could apply for the cancellation of those rights on the ground of forfeiture.

93. A private person would not institute proceedings?—They might be able to make arrangements with the company which is bringing in the water, and show good grounds examined.

J. MANDEL examined. (No. 3.)

94. *The Chairman.*] Do you wish to supplement what has already been stated by your colleagues?—I corroborate what Mr. Michel and Mr. Beare had stated. I know that Back Creek is in the centre of a large mining district which has been worked for the last thirty years, and

Back Creek itself would have been worked years ago had it not been for the want of water. There has been a little water, but it has been very scarce. If the Humphrey's Gully Company will not bring the water in we cannot see where it is to come from. It has been said that the Kanieri Lake water would be too low, and, therefore, the only water we can get is through the Humphrey's Gully Company's property, which is capable of bringing forty heads of water for use in connection with other works. If they brought water in from the Blue Spur, there is any amount of auriferous ground there. I have been from twenty-five to thirty years in that district, and know there is plenty of gold there if they can get a water-supply; and the population would increase considerably, whereas if the water is not brought in the population will decrease. The County Council Chairman says that there is 300 or 340 acres, but there are 400 or 500 acres of ground that is auriferous. I know for a fact that Brighton Terrace would have been worked when I was first there if water had been available. The district is all gold-bearing, and there is a large basin which has been proved. Claims have been working there for a considerable time, and most of the gold is got at Back Creek.

95. *Hon. Mr. McGowan.*] To your knowledge they have been working there pretty well for thirty years?—Yes.

96. And of course some of them did very well when on very rich wash; but, where there is an area of several hundred acres of auriferous ground there are bound to be certain parts which are richer than others?—Certainly.

97. And the richer parts would become less and less every year?—Yes, if the claims were worked out.

98. You say the whole of the ground is auriferous?—Yes.

99. Well, could you afford to throw your water away on poor ground. What you want is sufficient water to enable you to sluice that ground, and that is what you want to place before the Committee?—Yes.

100. *Mr. R. McKenzie.*] You know the Kumara Goldfield?—Yes.

101. You know that, and you know that before the Waimea Water-race was constructed, claims were abandoned which turned out excellent sluicing-claims afterwards?—Yes. Brighton Terrace has been driven through in portions, and it supported a large population. It is a mile back, fronting the river. In reference to the £15,000 or £20,000 subsidy which the petitioners request the Committee to recommend to the Government, I might mention that the Humphrey's Gully Company propose to make the water 5d. per head. If it were made 6d. the extra penny could be set aside for the payment of interest on the capital.

102. With regard to the trial survey, could you not get the Westland County Engineer to go over it?—They have no Engineer.

103. *Mr. Moss.*] Do you know the ground yourself?—I have not mined the ground, but I know it as well as a miner does.

104. Are the rich patches which are being worked now scattered or in one portion of the field?—They are not scattered. The gold is universal, but the miners know in what direction the richer portions lie.

105. Is the gold supposed to have come from a distance and to be evenly spread over this field, or is the good gold in one particular spot along four or five miles of this terrace?—I could not say that it was in any particular spot. Some of the claims are rich and others are poor.

106. Are all the claims getting good gold together or scattered?—They are scattered all along the terrace.

107. *Mr. Smith.*] Could you give the Committee any idea of the amount it would cost to get a preliminary survey and report, with maps showing the position, so as to enable it to arrive at the approximate cost?—No, I do not think I could.

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