

labour the miners would be prepared to find in the construction of a water-race. (3.) That, if the replies to these communications should evince a local desire to meet the Government in the solution of the question, a grant-in-aid should be given by the Government. (4.) That, in any case, wherever practicable, the Government should immediately open several blocks of Crown lands near Livingstone, not less than 500 acres and not more than 1,000 acres in any one block, to be set apart for application on deferred payments or agricultural leases, in sections of from 100 to 320 acres, taking care that such blocks shall not include natural outlets from auriferous ground, or ground known to be payably auriferous. The Committee attach value to this last recommendation, as being likely to convert the miner into a settler, conservative of the rights attachable to the possession of land."

Your Committee the same year reported on a petition presented to your honorable House from the miners of Maerewhenua upon the subject of outlet for mining *débris* obstructed by freehold land, the property of the Hon. Robert Campbell. Negotiations were commenced by the Government with the Council of the Waitaki County, but led to no action being taken either by the county or the Government. The Chairman of the County Council, the Hon. Robert Campbell, stated in evidence before your Committee that the gold fields revenue obtained by the county from the Maerewhenua Gold Field was inconsiderable.

Your Committee again had the honor to report on the 16th August 1880, upon a petition presented to your honorable House from Mr. C. F. Roberts and others, which petition prayed that the Maerewhenua River should be proclaimed a watercourse for the discharge of mining *débris*. Your Committee referred this petition to the Government, recommending that an inquiry should be made into the matters alleged, with a view of giving effect to the prayer of the petitioners. Your Committee observe with regret that the Government felt they were giving sufficient effect to the report in requiring Mr. Warden Robinson to hold an inquiry at Maerewhenua. Mr. Warden Robinson has often reported upon this field, and has not, as it appears to your Committee, felt himself free, as a Government officer, to enter fully into the large question raised, but has confined himself almost entirely to the comparative position of landowners and miners at present settled in the Maerewhenua District. Your Committee had hoped that an impartial Commission would have been called upon to make the inquiry they recommended. If your honorable House considers the reports referred to in the Schedule annexed hereto, it will be seen that your Committee, while anxious to assist Maerewhenua, have always borne in mind the necessity of meeting the difficulties arising, and to arise, in all parts of the colony of which the issue at Maerewhenua is only a type. Having said so much, the report of Mr. Warden Robinson is, in fairness to that officer, incorporated herewith.

Your Committee have had also before them other papers purporting to represent the views of the miners at Maerewhenua. From these papers it appears that the contention of the miners at Maerewhenua is that, if the riparian rights were not capable of being enforced, enterprises would again be capable of being undertaken which at present are out of the question; also that the water-supply on the gold field might well be undertaken by the Government itself. The Warden states, in the strongest manner, the stagnation in race-construction; but it does not seem to have occurred to him that this fact bears out the statement of the petitioners that no one will now invest in or complete any considerable undertaking to be placed at the mercy of the landowner's caprice or the variable turns of the wool-market.

Mr. Warden Robinson considered the question of proclamation of the Maerewhenua under the authority of "The Gold Fields Act, 1875, No. 1."

"The Gold Fields Act, 1875, No. 1," appears to your Committee to be no remedy for the difficult problem the Maerewhenua presents for solution, for the following reasons: (a.) It takes under the Act 180 days before a river could be proclaimed, after notice of the fact that application has been made has been published. (b.) Any person whose rights may be injuriously affected by any such Proclamation shall be entitled to receive compensation for such injury, to be ascertained and settled by arbitration. (c.) The Act does not define what shall constitute an injury to rights upon which compensation shall be assessed, and leaves the widest scope for the claim of merely theoretical damages to property, which are sure to be valued as against the Crown up to the highest possible point.

Your Committee do not see why unconditional compensation should be paid to landowners in cases where the public interest demands the resumption of water-rights in order to develop the gold fields. Because the lands are increased in value by the public works and the development of the gold fields, and if the mining population is large, as at more prosperous fields, the landowners cannot hope to claim freedom to exercise their riparian rights. It is well known that the waters of the Taieri and Clutha Rivers in Otago, running through private lands, have been polluted by the discharge of mining *débris* for many years past.

Your Committee recommend that all riparian rights affecting rivers in proclaimed gold fields should be resumed wherever required for public purposes, and, if compensation is allowed, it should only be on two conditions: (1.) That the damage should be computed upon actual injury proved that the land would sustain if deprived of water in its natural state; also for any damage the owner of the land may be proved to be likely to sustain if his homestead were deprived of water in its natural state. (2.) That the increase in value to the landowner's property by public works, or by the development of the mines in his neighbourhood, should be deducted from the amount of the damage assessed, and the excess of the value of such damage over increase in value, if any, should only be payable by way of compensation.

Additional Water-supply.

Your Committee have not sufficient evidence to enable them to recommend the Government to construct additional water-races on this gold field. It is, however, recommended that a preliminary survey and estimate of cost should be made of races to convey water from the Otekaike, and the two branches of the Maerewhenua to the auriferous land near Livingstone; the reports of such survey and estimate to be placed at the disposal of the Miners' Association, should the Government decline to undertake any of the works so surveyed.