

51. Considerable stress has been laid on the expenditure on water-races?—Yes.

52. Do these water-races pay interest on capital?—The water-race brought in by the Government to Nelson Creek pays nothing, for this reason: that the ground being shallow has been nearly worked out—that is, at present commanded by the race. It requires further capital to extend the race for other ground to be worked, and unless the extension is made there will be a waste of money. At Callaghan's there would be a much larger population if they had the water there. The shallow ground at Hatter's and other places is nearly worked out, and if we could extend the race more men would be employed. It is not lost capital, because the original race when extended will command a large extent of country from the Ahaura River to No Town Creek. Some of the water-races pay a good percentage on the capital expended on their construction.

53. How much country is there at 560ft. above sea-level?—I do not know.

54. Take Lake Hochstetter, what is that above sea-level?—I do not know. I know the country the race will command. I may tell you, further, that I think I have a report from Mr. Lord in which he confirms me from actual survey that the race will command this ground.

55. Will the water command the ground above sluicing-level?—If you ask me if water will run up-hill, I say No.

56. You cannot work this land at the higher level?—You can pump the water by using the flow of the river as a motive-power. You could lift the water, in some instances, to the terraces by this means and make the ground pay for working.

57. In this district you think there is a certain amount of auriferous ground 560ft above sea-level not commanded by these water-races?—In the evidence I give now I only allude to the country below the race, and which it would command.

58. What timber is there?—What you get is small scrubby timber, with nothing but moss on it; and if you got the ground cleared it would cost over £5 an acre to merely cut down the timber, burn it, and sow grass-seed, and then would not feed a grasshopper. That is, the ground above the level of the race.

59. Why did you include it in the reserve?—You could not separate it. There are some places where the miners send the wash-drift down by a chute, and truck it to the water.

60. But that would only apply to very rich ground?—It would not require to be very rich. A pennyweight to the load would pay handsomely.

61. You say that the creeks act as sluice-boxes and are very rich in gold, and that the ground in these creek-beds is worked out?—The beds have not been worked out. When I first came on the diggings the miners would follow narrow gutters or old beds of streams, where the ground was richest, and left the poorer portion of the ground for a time. If they came to a richer patch they worked it, and then came back to these strips and blocks previously left by them along the creek-beds and in the valleys, but sometimes the men found that the Chinamen were before them.

62. With regard to the reserves, did you send out skeleton-plans to various bodies on the West Coast to mark what they thought ought to be made mining reserves?—That was done before I became a Minister. My predecessor went through the district. Each County Council was anxious to know about the making of these reserves, and wanted to have a say as to what land should be reserved. The Councils had representatives from the different ridings, and there was a general feeling that all should be consulted in the making of the reserves. The ground for allocation was fixed, and, after discussion, it was considered that the whole was not a third of the ground required. There were protests made by the counties that the area allotted was not sufficient. The Buller County wanted the whole of the ground. If we had followed the advice offered, instead of 750,000 acres I suppose we should have taken three times that area.

63. Were these several bodies informed as to the nature of the reserves it was contemplated to make, and were they informed that the reserves would not be available for settlement?—They were informed that the reserves were under the terms of the contract. I do not think that any of the Councils are not conversant with the terms of the contract.

64. Were any of the bodies in ignorance of the effects of the reserves?—I cannot say.

65. You have have seen the maps returned?—Yes, you have the map here.

66. Did they not mark the map in ignorance of the effects of the reserves?—They wanted the lands for mining.

67. Did not the Buller County desire that the reserves should not be as you proposed, but that they should be advertised?—I cannot tell you with regard to the Buller County, but that would be inconsistent with their desire to have the whole of the land reserved. They asked that the whole county should be reserved.

68. You sent these maps and asked opinions from, I believe, Mining Associations, Borough Councils, Schools of Mines, and various other bodies—what you might call responsible bodies?—Their constitution is such that I should consider advice given by them worthy of consideration, but should not consider myself bound to act upon it. They are simply advisory bodies.

69. Is it not a fact that the School of Mines and the Mining Associations are nominal bodies, with possibly one or two people interested only?—My experience has been that they are composed of intelligent men, and very careful in matters referred to them. I have known them to meet night after night to discuss them; and if you were present at and saw how they conduct their proceedings you would come to the conclusion that they are bodies whose recommendations must receive attention.

70. You asked, I think, the Borough of Brunner to report—are they gold-miners or colliers?—I should say there are gold-miners within the limits of Brunner.

71. What do you think they know about gold-mining? Did they give you evidence as to the gold-bearing district?—There are a lot of men employed there who have worked in gold-mines, and I know some whose experience I am quite prepared to take for either coal or gold.

72. Did you impress it upon the people that the land could not be used for settlement if you
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