

1895.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE.

REPORTS ON THE PETITION OF KUMARA MINERS' ASSOCIATION; TOGETHER WITH COPY OF THE PETITION, DEPARTMENTAL REPORT THEREON, AND EVIDENCE.

Brought up on the 9th and 25th October in the House of Representatives, and ordered to be printed.

REPORT No. 1.

No. 10.—Petition of the EXECUTIVE of the KUMARA MINERS' ASSOCIATION.

PETITIONERS pray that the dams, water-rights, and head-races of Okuku Water-race, Kumara, owned by Mr. James Holmes, may be purchased by the Government, in order to assist in the development of the mining interests of the district.

The Goldfields and Mines Committee, having carefully considered the questions involved in the petition of the Executive of the Kumara Miners' Association, have the honour to report that in their judgment it is desirable further inquiries be made by the Mining Department so as to verify the statements which have been submitted as to the income at present derived from, and also in regard to the prospects of the future profitable employment of, Holmes's water-race, and if such statements are substantiated the Committee recommend that the water-race, and the freehold section held in connection therewith, be purchased by the Government.

9th October, 1895.

REPORT No. 2.

THE Goldfields and Mines Committee have the honour to report that they recommend that the petition of the Executive of the Kumara Miners' Association, together with the report of the Mining Department thereon, be printed.

25th October, 1895.

THE Petition of the Executive of the Kumara Miners' Association relative to the suggested Purchase by the Government of the Okuku (Holmes's) Water-race, together with the Report of the Mines Department thereon; to which is attached the Evidence taken upon the Subject by the Goldfields and Mines Committee, and the Report of the said Committee.

TO THE HON. THE MEMBERS OF THE HOUSE OF REPRESENTATIVES IN PARLIAMENT ASSEMBLED. GENTLEMEN,—In pursuance of a petition from thirty-five miners of this field, and of a request from the public as conveyed to us through a resolution carried at a public meeting, held in the Town Hall, Kumara, on the 24th July of this year, we, the undersigned members of the Kumara Miners' Association, respectfully ask your favourable consideration to the following proposal, viz. :—

That Government be authorised to purchase the water-rights, dams, and head-races known as the Okuku Water-race, and owned by Mr. James Holmes. That the property consists of four dams, with head-races, syphons, &c., and all plant connected therewith, and the sum asked by Mr. Holmes is £6,000. The whole property, so far as can be ascertained, is in first-class order and condition. The carrying-capacity of the head distributing-race is twenty-four heads per day of twelve hours. With an outflow of twenty-four heads per day these dams, when full, hold six months' water. Reckoning the year at 280 working-days, and allowing the price obtained for water from this race would be £2 per head, the net receipts—after allowing £200 for maintenance and £300 for staff expenses—would be £2,556 per annum. But as, if the race were purchased by Government, all parties using water therefrom would be charged at the same rate as those now connected with the Government race, and as the price paid last year for Government water amounted to only £1 10s. per head, the actual yearly receipts, clear of all expenses, may be set down at £1,298.

Final Remarks.

Upon receipt by the Kumara Miners' Association of a petition signed by thirty-five miners now using Mr. Holmes's water, urging the purchase of his race by Government, a sub-committee was appointed to inquire into and report on the question of water-supply on this field, with a view of ascertaining whether an increase of water would be necessary when the two channels now in course of construction are completed, and also to obtain information as to whether, in the event of the Government purchasing Mr. Holmes's property, a ready market would be available for the water.

The result of the investigations of the committee shows that, when numbers four and five channels are completed, and assuming that the present liberal supply will obtain, there will not be sufficient water by about fifty heads per day. To meet this deficiency it is proposed to purchase Mr. Holmes's rights, two of whose dams can be made, at a moderate outlay, to conserve a large quantity of water which now runs to waste during wet weather. Also, by making the head-race wider for about two miles and a half, a more rapid outflow would be obtained. In addition to this, Mr. Holmes can, at the present time, supply about five more parties per day, averaging about ten heads per party.

Another advantage is that the water now owned by Mr. Holmes can, at a cost of about £100, be turned into the Government race at the present end of the Government head-race tunnel. By this means shifts could be arranged to greater advantage than is possible at the present time, as in many cases one shift is overcrowded while another may be but half filled up, thereby causing a loss to the miners, and also to the State.

Other benefits to be derived from the purchase are as follows:—

To those miners now purchasing water from Mr. Holmes, an immediate reduction of 40 per cent., thereby enabling them to work ground which could not be worked under present conditions. A reduction to those miners would also be a direct benefit to the district, as the purchasing-power of the miners interested would be increased, and the increased area made available for working by the reduction would give a longer lease of life to the field, and at the same time prevent a large number of miners being thrown on the labour-market.

It may, perhaps, appear strange that the owner of a property returning an income of £2,556 per annum should be disposed to sell for so low a sum as £6,000, but the real facts of the case are that Mr. Holmes does not at the present time sell more than one-half of the water at his disposal; also, as the general trend of mining is in the direction of Kapitea Hill, and Mr. Holmes's race being on the other side of the field, a large expenditure would be entailed on Mr. Holmes in the direction of race-cutting and iron-piping, whereas the Government have already a race cut in the indicated direction. Nothing more would be required than to turn the water into the Government race as already indicated. We desire to point out that any money expended in the direction of raising the embankments of dams or cutting races would be amply repaid by the increased storage and sales of water.

With regard to the difference in price of water charged by Government and Mr. Holmes, according to the return as shown in the last year's Goldfields Report, the average price paid by miners using Government water was £1 10s. 8d. per head; in addition to this at least 15 per cent. extra water is given by what is known as big measure over and above the actual amount paid for, while those who are using Mr. Holmes's water are charged £2 per head.

In conclusion, we would respectfully ask your honourable House to give this question your earnest consideration, as it is a matter of vital importance to this goldfield.

And your petitioners will ever pray.

GEORGE MORRIS, President of Executive.

JOHN HAY.

JAMES R. HACKITT.

THOMAS STEVENSON.

FRANCIS D. PAYN.

THOMAS RICE.

SAMUEL HARVEY, Secretary.

REPORT ON PETITION of KUMARA MINERS' ASSOCIATION, No. 301, Goldfields and Mines, Session 1895.

Mines Department, Wellington, 3rd September, 1895.

In the opinion of the Mines Department the purchase of Holmes's water-race would not be of advantage to the colony, for the following reasons:—

1. That the level of Holmes's water-race would not permit of the water being taken into the Government race at the end of the head-race tunnel, as stated by the petitioners.

2. That, although Mr. Holmes's race may possibly have a carrying-capacity of twenty-four sluice-heads as stated, and that only half this quantity is sold, as a fact it frequently occurs during dry weather that Mr. Holmes has to obtain water from the Government race for his customers.

3. That the statements in the petition as to the price charged for water from the Government race are based on a wrong assumption, the price being £2 per head, and not £1 10s.

4. That the area which Mr. Holmes's race commands adjoins the front of the terrace facing the Teremakau River, where the best portion of the ground has been worked; and before water could be used from this race, even for flushing purposes, a large expenditure would have to be incurred in the construction of pipes and syphons.

5. That, even according to their own statements, the petitioners are not correct as to the probable revenue of the race being £2,556 per annum; as previously pointed out, only half the water that the race is capable of carrying can be sold; the revenue would accordingly be only a little over £1,100 for twenty-four heads for 280 working-days. Even this amount could not be constantly relied upon, as dry weather has to be taken into consideration; and lastly, the price named in the petition is far in excess of the value of the property to the colony, as the petitioners point out a large expenditure would have to be incurred before the water could be fully utilised.

The petition is returned herewith.

H. J. H. ELLIOTT, Under-Secretary.

FRIDAY, 6TH SEPTEMBER, 1895. (MR. MCGOWAN, Chairman.)

GEORGE MORRIS examined.

1. *Mr. Guinness.*] What official position do you occupy in Kumara?—I am President of the Kumara Miners' Association.

2. The institution has sent in a petition asking the Government to purchase Holmes's Water-race?—Yes.

3. The reasons for the purchase are set out in the petition?—Yes; I remember the reasons were considered and inserted in the petition.

4. You think those good and sufficient reasons to justify the Government in purchasing?—Yes, I do.

5. What do you say as to the objection urged, that the level of Holmes's Water-race would not permit of water being taken into the Government race at the end of the race tunnel?—I say it is wrong. It has been proved that the water can be put into the tunnel at the lower end at a very small cost.

6. And the objection by the Mines Department is wrong?—Yes; it is only a matter of connecting with a short cutting, and the water would flow into the Government race.

7. The objection is that the water would not run up-hill?—I maintain the race is a long way above the Government race at that point.

8. Then, it says that, although it may have a capacity of twenty-four sluice-heads, only the half of that quantity is sold?—Yes; that is one argument we have in support of asking the Government to purchase. The Government are constructing two sludge-channels; there will be then a deficiency of water to work these channels. Holmes has not sufficient customers to buy the water he has; and therefore, if the Government purchase the water that Holmes has, they could utilise it to help to fill the gap when these two channels are in working order.

9. You mean to say that the difference between the twelve heads he uses, and the twenty-four heads he has, could be utilised and taken in the Government race to supply these two channels?—Yes.

10. To what number of men will the completion of these two channels give employment?—To fifty men, or more.

11. Can Mr. Holmes supply this water to those channels without selling his race to the Government?—No; in the first place, Holmes's race is facing the Teremakau, and the land these two channels are constructed to work goes backwards into the country. The Government have had races constructed further back to supply their own parties, and Holmes's parties want to connect with the channels, but there would be considerable expense incurred in taking the water round the back.

12. Suppose Holmes's race crossed the channels at this point?—Well, I have a plan of the race, and can show it better from that. [Plan referred to, and points indicated by witness.] I might mention that no matter how much water the Government had in these dams, that channel would only carry 125 heads; whereas in some cases the shifts are over-crowded, and some have to go off.

13. The question I want an answer to is this: Could not Mr. Holmes supply those parties who are working into the new channels. You say: No; because the water has to be taken back, and the Government is the only party that can distribute the water on the ground?—Yes; another point is that they have not a sufficient amount of water, and if Holmes's Race carries twenty-four heads he would have to send in ten or twelve heads to flush it at the head so that he would have only half the water for working.

14. Is that what the Government do?—Yes. One channel is entitled to twenty-five heads and the other ten.

14A. The two channels that are being constructed will require flushing-water?—Yes.

15. *Hon. Mr. Larnach.*] Is the channel that carries 125 heads not sufficient to supply all the water required?—Sometimes it is, in wet weather; but not enough to supply the whole field.

16. Supposing it was of a larger capacity, would it be enough to supply the whole field?—No, not in ordinary weather; in wet weather it is.

17. The storage capacity of the Government dams is not sufficient, even supposing this main channel was enlarged?—With ordinary West Coast weather the Government has sufficient to supply the present demand. There are thirteen parties connected with No. 5 Channel. I am not sure how many parties will be connected with No. 4.

18. At present you lose the difference of the water you could get in the wet weather?—Yes. If the channel was larger, in very wet weather the Government could get more water on the field than they do now. They lose a lot as it is.

19. *Mr. Guinness.*] The Government say the price charged is £2, and not £1 10s.?—Yes, that is true, they charge £2 per head; but we based our calculations on what was stated in the Goldfields Report, and the Government receipts showed £1 10s. per head last year. In explanation to that, I might say there is a certain amount of free water given away. We petitioned several times to get the water reduced, but Ministers told us distinctly in Kumara that they could not reduce it, but that poor claims would get assistance in the way of free water; and putting the two together—that is, parties paying £2 and the parties getting free water—paid on the average £1 10s.

20. It is said that the area Holmes's race commands fronting the terrace facing the Teremakau River, &c. (Please see report.) What is your answer to that? The same as with regard to the level?—The same as I showed on the plan. It can be turned into the back country.

21. It will command the same country that the Government race does?

22. You can connect with the main channel?—Yes.

23. *Mr. Mills.*] Is there a large area to be worked in connection with this?—Yes, 105 acres connected with the No. 5 Channel.

24. *Mr. Guinness.*] Is it correct to say that only half the water from the race is capable of being sold if it is connected with the Government race?—No; I say that if the Government pur-

chased this race when the channels are in working order there will be still a shortage of water on the field.

25. You say that after the completion of these two channels, Nos. 4 and 5, there would be then a shortage of water, even supposing the whole of Holmes's twenty-four heads and all the Government water were brought on the field?—Yes; that is so.

26. What do you say with regard to twenty-four heads being constantly relied upon in Holmes's race? Is it a more or less permanent source of supply than the Government one?—That depends on the weather. Holmes's dams usually last twice as long as the Government one. If you have a week's heavy rain Holmes's dams get full, and last six weeks without any rain. The Government dams after a week's heavy rain get filled, and last less than three weeks.

27. Do you say that Holmes's dam is a more permanent supply?—I do not say that; but it has less demand on it. The Government dams will fill quicker than Holmes's will. One gives 125 heads and the other twenty-four.

28. What is the number of miners who can get employment if sufficient water is supplied to them, when No. 4 and 5 Channels are completed?—There are only two parties connected with No. 4 at the present time: one claim has six shareholders and the other I cannot say exactly, but as a rule about eight men are working there.

29. Can any more be connected with it?—Yes.

30. How many if there is sufficient water brought in?—Well, there is a large extent of country at the head of this channel. Any one taking it up would have to construct his own race to connect with the channel. Within the last five or six years an enormous area of ground has been taken up that prior to that time was not considered payable. Like everything else, we have had the best at first, and when that was worked out we have had to take the inferior.

31. There is room for more in the channel?—Yes, it would carry twelve parties.

32. Averaging how many men each?—Five. That is, if the channel was in full work and a sufficient supply of water.

33. What do you say about No. 5 Channel?—It has thirteen claims at the present time, some having four and some five men. Say an average of four, that is, fifty-two men: these are connected with the channel now.

34. *Hon. Mr. Larnach.*] If your wish in this matter was carried out, would the supply last on the field: would you then have a permanent supply for the number of men?—You mean without any lost time? No, we would not have a permanent supply.

35. How long, through the dry weather, would you be without sufficient water?—This last year was an exceptionally dry one on the Coast, and we lost a lot of time.

36. How much?—I am not prepared to say.

37. Have you lost three months?—No.

38. Two?—Yes.

39. Even in the dry season, would this mean a loss of a month? Would you say the half?—Yes, I think so.

40. *Mr. Mills.*] If this purchase is made by the Government, what extent of ground do you consider there is for working, and what number of men would it employ, and for what length of time?—The number of men on the Kumara Goldfield now is about three hundred connected with mining. There is a large extent of ground; it is impossible to say the extent. I thought, years ago, the field would have been worked out in a few years: the good ground is worked out, and the miners have gone back to the poorer ground. These two new channels would give it a longer life. If they were not constructed the ground would never be worked. The Government has constructed this channel (No. 4) at a large expense, and if they purchase this race it will recoup them for the outlay in constructing the channel. I should not like to state the time the claims will last—say ten or fifteen years.

41. What number of men would you say it would employ?—From 250 to 300.

42. I understand you to say they now averaged 300 men?—Yes.

43. Would there be a constant supply of water and no lost time?—Yes; there would be a constant supply, except in very dry weather.

44. Can you tell the Committee anything about average earnings?—We often see a report that the average earnings in Kumara are so much per week; I have seen it stated as £3 per week, but I am confident the average is not more than £1 10s. per week. There are fully one-third not making more than £1 a week; they are simply fossicking.

45. I understand they lose a lot of time for want of water now?—Yes; men lost a lot of time in the last twelve months in particular. One or two years we had it pretty wet weather, and had sufficient water all the time.

46. *Mr. R. McKenzie.*] I suppose you have had levels taken to show that the water could be turned into the Government race?—No, we have not; but it was surveyed years ago, at the beginning of the Kumara rush, by Mr. Gow, and levels taken.

47. Do you know the country?—Yes; I would undertake the contract to bring it in.

48. What is the distance between Holmes's dam and the head of the Government race?—I should imagine it is about half a mile.

49. Is it a country you could cut a race through?—Yes; the water would flow of itself if put through the dam.

50. *Mr. Guinness.*] It would be a distance of half a mile to construct?—Yes.

51. *Mr. Duncan.*] What length would the tunnel be?—It need not be a tunnel.

52. Well, a cutting, then?—I think a cutting or tunnel would have to be made at an estimated cost of £100 to bring water from one race to the other.

53. Would there be 20 or 30 chains of tunnel to make?—No; I should say about 3½ chains.

54. *Mr. McKenzie.*] Do you think the flat below will be worked; I mean below the Hokitika road?—Yes; I expect all that will be worked in the future. It is being worked now by two or three parties who have their own race.

55. *Hon. Mr. Cadman.*] Is all the water in Holmes's race now being sold?—No.

56. Why?—There are not sufficient parties connected with the race to take it. Holmes can supply eight parties per day.

57. How long have the parties connected at the present time had it?—We made a calculation showing the time. One claim in connection with Holmes's race will last for fifteen years. It is very deep ground—about 150ft. deep.

58. *Mr. Duncan.*] Do they sluice the whole away?—Yes; with ten heads. They cannot take the water the full time. There are perhaps four or five shifts per week. There are one or two more in the same position. Altogether about six claims are connected with Holmes's race.

59. There is no chance of being able to dispose of all the water on that portion of the field?—No; all the ground is taken up for years near Holmes's race.

60. How long will it take before No. 1 and No. 2 Channels will be worked out?—In No. 1, several claims have been worked out since it was constructed. The remainder average four, five, and six years before they will be worked out. In connection with No. 2 Channel there is one party that might be worked out in nine months, and after that the remainder will last four or five years.

61. *The Chairman.*] How many men would be employed in addition to those now employed supposing your request was granted?—There are fifty-two men who, unless this work is done, or further water supplied, will have none to work with.

62. Any additional employment to be given than that?—Yes; more ground can and will be worked in connection with these channels. Unless water is provided these men will have none to work with.

63. I will put it this way: If your request is granted would it give additional employment, or would it simply keep these men on the field?—It would certainly give additional employment.

64. To how many men do you say?—I should not like to say.

65. *Mr. Guinness.*] To the best of your belief? Men might take up ground, and the only way extra men can be so employed is by taking up the extra ground?—Yes; there is sufficient ground for fifty men if they like to take it up.

66. *The Chairman.*] But is it good payable ground for fifty men?—It is the usual average. It is poor ground, but the men have to stay on it.

67. You presume that it is average ground—that it will be payable ground?—Yes.

68. *Mr. Guinness.*] If this race is not purchased by the Government, will these men that are now connected with these two channels be all able to continue their work?—No.

69. How many will have to knock off?—No. 5 would have no provision for working and would all have to knock off. The supply is only equal to the present demand. There is no Government water to supply the extra channels.

69A. *Hon. Mr. Cadman.*] Will there be no extra water?—No.

70. *Hon. Mr. Larnach.*] The two new channels that are being made by the Government are intended for use on your present race?—Yes.

71. Will these two new channels be enough to carry in the extra water supplied in the event of this work being done?—Yes; and even then there will be a shortage of water, unless Holmes's race is purchased.

JAMES HOLMES examined.

72. *Mr. Guinness.*] Will you state the length and carrying-capacity of your race?—I have a plan of it here; it was drawn up by Mr. Martin, late Resident Engineer for Westland. [Plan produced.] This race carries fourteen heads to the other one. I store the water in the lower one in the night-time, and can distribute twenty-four heads to the field.

73. It is capable of distributing that for twelve hours?—Yes.

74. What do you estimate the cost of the different dams and water-race to be?—They cost me, I suppose, from £12,000 to £15,000.

75. What are you getting per head for the water?—The same as the Government; there is an agreement between us.

76. How long has that agreement existed?—Some years.

77. Who was Minister of Mines when this was entered into?—Hon. Mr. Larnach, I think.

78. *Hon. Mr. Larnach.*] How long was it since it was entered into?—It was just before or after your time. I think it was through you going there.

79. Please tell us the time it was entered into?—It was before the Premier's time.

80. Was it the Hon. Mr. Richardson?—I cannot say.

81. *Mr. Guinness.*] What do you say about this question: Is it possible to connect your race or its reservoir to where the Government starts its race at the main tunnel?—Yes; it can be done at a very small outlay. It needs only cutting. It can be taken into the natural creek, and dropped into the Government race at the outlet of the tunnel.

82. You say that the Mines Departmental statement, that the level will not permit that being done, is wrong?—Yes. At the time it was surveyed, when the Government dam broke away, we were only paddocking, and it was never carried out.

83. What would you say would be the cost of cutting it?—I think the estimate is a fair one—about £100.

84. What is the price you are asking for your interest?—£6,000. The Miners' Association came to me to see if I would sell. I would like to explain. My race runs down on the north side of the goldfield. The ground is getting worked out, except what the race stands on. This is all good auriferous ground. My men and the Government men go up and down the race together. My race could be managed by the Government men. By connecting my pipes with the Government pipes they could be brought over the marked ground, which would release a lot of ground which is highly payable. The ground on the flat would have to be worked from Sandy's Terrace. It is so far back from the river that I should have to go to a tremendous cost to carry a syphon

across the cutting on to the new ground. Mine are all private parties. I have no sludge-channel; the sludge-channel has filled up all the ground below, and my men are bound in by the tailings. My race would cost a great deal to syphon across. The Government one comes out at the top of the field, and gains the pressure by running round Sandy's Hill.

[*Mr. Morris* said he would like to explain that this was where he thought the Government could take the water. There is a sawmill connected with *Mr. Holmes's* race, and the water drops down from his race between 30ft. and 40ft. to drive this mill. After working the mill it runs down to the field, so that from the point where they said it could be taken into the Government race it drops 40ft. or 50ft., and could be easily carried to the Government race.]

85. *Mr. Guinness.*] We can instruct the Government Engineer to take the levels and settle this question.

86. *Hon. Mr. Larnach.*] How long have you been at Kumara mining?—Witness (*Mr. Holmes*): Seventeen or eighteen years.

87. You have seen it from its earliest days?—Yes; it was a company at the first that constructed my race, and I took it over from the company.

88. You mean the race?—Yes.

89. You had been mining there some years before?—No; I signed a joint and several promissory note, and had to take the property over. That is how I got into possession.

90. It did not occur to you to get the guarantee of the colony?—No.

91. Have you any objection to tell what it cost you?

The Chairman: We have had this in evidence.

92. *Hon. Mr. Larnach.*] Do you object to tell the revenue from the race at the present time?—About £100 a month; but there are expenses to take out of that.

93. What are the expenses?—About £400 a year.

94. You have £800 clear?—Yes.

95. Supposing this arrangement was consummated, would the revenue that you derive in respect of your race be affected in any way?—No.

96. Would it have the opposite effect? Would it be likely to increase the earnings of the two races; would they be increased?—Yes, I think so, for this reason: that, as I said, my man and the Government man go up and down together. The expense I am put to could be done away with altogether.

97. Would it lead to economy in management?—Yes, it would save fully £250 to £300 a year in management if worked as one.

98. How many actual miners are there working on the field?—I could not tell you that.

99. I want to get at the number dependent on the miners.—I could not give you that information.

100. *Mr. Mills.*] Can you tell the Committee of your own knowledge what fall there would be between the terminus of your race and the drop into the Government race?—There is a good fall. My race is much higher than the Government one. It is a good many years since it was surveyed.

101. What would you estimate it—give us something near the mark?—I should say it was fully 20ft. higher. The distance is not half a mile.

102. *Hon. Mr. Cadman.*] I understand you to say you had to take this race over?—Yes.

103. What did you pay for it?—£4,500. There was only the frame of the race; I had to make the race and everything else larger, and construct the big dam. It was for the rights to it—that is about all. I can safely say it would not carry five heads of water when I got it.

104. You say it is bringing in £800 a year clear now?—Yes.

105. Why, if it is bringing in that, are you anxious to sell it for £6,000?—Because my parties are all clamouring to have it run into the No. 4 channel; they want to connect with it, four out of the six.

106. If the Government do not buy this race, what is going to be done?—I will have to keep it, I suppose.

107. If the people want it and cannot get it, how long is it going to stand over?—I think it is to the advantage of the Government to purchase it; there is no doubt in my mind about it, because it can be run into it at a very small cost. We are running together.

108. You are willing to sell at £6,000; at 6 per cent. that is about £360 a year, and you are willing to give up £800 a year in order that these people may have the race?—I would have to go to a good deal of expense to connect with the other, and my land is getting worked out. I do not suppose my revenue will keep up. It has been falling off year by year.

109. *The Chairman.*] Your present income from the race is about £800 a year?—Yes.

109A. Was it at any time more than that?—Yes.

110. Has it been decreasing?—Yes; it is likely to decrease.

111. *Mr. R. McKenzie.*] The parties using the race will soon have to go into the Government channels?—Yes.

112. If you were to continue to supply them with water you would have to go to considerable expense?—Yes; some of my men are worked out, and I would have to go to a big expense to get into the new claims, and they have an objection to coming to me because they think they are better treated by the Government.

113. By cutting a new race from this point to this the Government could get a very considerable supply of water?—Yes.

114. I might ask your opinion as to whether you think that flat below the Hokitika Road is likely to be worked?—I think it is. Certainly, it will be at very low wages and cheap water.

115. *Mr. Guinness.*] You said in answer to the Chairman that your revenue previous to now was more than £800 a year: it is now £800. Is it likely to decrease if this race is not connected with the Government race?—Yes.

116. Is it not likely to decrease from the fact that your parties want to connect with the Government channels?—Yes; they are blocked out.

117. If there was tailing-room, is there sufficient ground to keep up the present revenue?—Yes, there is a good deal of ground to be worked there yet.

118. *Hon. Mr. Cadman.*] I am not quite clear about this twenty-four heads of water. Can you obtain twenty-four all the year round?—I cannot guarantee it; it depends on the weather.

119. Take last year?—I lost a very little time, but I was not running full; my parties have fallen off. Mine has been decreasing from year to year. I have not been running full time. I have run eight parties, taking the ten and twelve heads of water, besides the wheels, the whole year without stoppage.

120. Would it be a fair average to say twelve heads all the year?

121. On the average of the past?—I have run twelve heads; yes, and more.

122. Suppose the Government would take over this water-race, the other would have twelve heads besides the twenty-four?—If the race were taken over it could supply fifty men.

Mr. Morris: It would go towards supplying, but not fully.

123. *Mr. Mills.*] Can you tell the Committee what the race has been valued at under the Mining Act?—It is £6,000.

124. *Mr. Guinness.*] For rating purposes?—Yes; that is what it has been all along.

HENRY A. GORDON examined.

Mr. Gordon: In reference to the Report of the Mines Department that the water will not run into the Government race at the head of the race tunnel, what is meant by that is that Holmes has a race going down here [indicating on the map the point mentioned], and that it is at a lower level than the Government race. I could not say what point this [indicating it on the map] is. This race of Holmes's is at a much lower level than the Government one.

Mr. Guinness: Yes, at that point.

Mr. Gordon: I could not therefore say of my own knowledge whether there is a fall from one point to another. Further than that, Holmes has parties working at this point [indicating it], and a certain number of the men, if they do not get water at this point, would have to take it at this [indicating it] point. Any extra men would have merely the difference between the quantity of water that Holmes's men require and the quantity the race would carry. As to its giving any more employment, at the outside there would be only an addition of twelve heads of water that would be of benefit to the field. There is another point: There are two races on that ground, and there is a lot of it if the whole was worked, but the men do not believe that the whole will pay to work. At the other tunnel we are giving the men flushing-water to the extent of twenty-four heads, I think, and a lot of that ground will be worked out. These tunnels were made in order to utilise the water. As the ground was being worked out this other tunnel was projected, in order to utilise this ground at this point [point shown on map]. This ground is worked out: in ordinary weather there is more water than we can sell. In dry weather it is short in this tunnel as well as in the Kumara Tunnel. As far as any advantage to the Government is concerned, it will be of very little to have that race at all, if we look at it in that light. Whatever flushing-water there would be, the Government would get more water and would be able to sell more; but the flushing-water is given away gratis, and is of no benefit to the Government as flushing-water. No return is got from it. That is really how the thing stands.

125. *Mr. Guinness.*] Would not the fact of flushing-water being provided also give employment to additional men who would open up additional ground?—I do not think it would, for the simple reason that the men get a lot of spare water now except in remarkably dry weather. In ordinary weather there is more than we can sell, possibly, and it is divided among the men; and there would be very little increase to the revenue with twelve additional heads.

126. Would you get the revenue that Holmes is getting now? Would you not be the proprietors of that part of the field where his men are now?—I am doubtful of this ground: a lot of it will soon be worked out.

127. Do you agree with his statement that these men he is supplying are being blocked up because of the sludge-channels and the tailings-room being taken away?—I believe that is correct; but when they get into one of these channels, then it is for them to combine together and keep the channel clear.

128. Do not you think the effect of their being connected with the Government race would enable them to connect with the Government channels, and thereby get additional tailing-room?—Some of them would and some would not. I could not tell exactly the position of the different parties.

129. If it was so, would it give additional employment?—I do not know.

130. Or additional time to work?—I do not know that; but it would have this effect: that they would not require so much water to work their claims. It would not require more water to carry away the tailings than in the private tail-race.

131. Would it extend their workings?—I do not think it would. I cannot say whether their tailings will soon be stopped.

132. Holmes says his parties can occupy good auriferous ground. Would it not work a lot more ground lower down?—I have not the slightest doubt there is a lot of good ground, but I think it is on private property.

133. *Mr. R. McKenzie.*] The Government race is not on private property?—No. I mean there is private property all round it (i.e., Holmes's race). It goes through the Town of Kumara.

134. That is not private property. Is it not land leased from the Government?—You will have to pay compensation, and that amounts to the same thing.

Mr. Morris: I should like to say a word here. Mr. Gordon says the new tunnel was constructed so as to utilise the water the Government has at present, and that this ground is worked out. It is so as to use the water that is going to waste. I should say there were at the very least from 80 to 100 acres of flat country at the back of Kapitea Hill being worked at present, and it is

worked into No. 2 and No. 3 Channels, and I do not see how it is possible that that water could be taken down to these other channels. There are others to be worked with this water. You cannot take the water from this point and give it to the other parties. I would ask Mr. Gordon if he thinks that the ground at the back of Larrikins will be worked by No. 3 Channel?

Witness : There is a tremendous lot of ground at the back of Larrikins that will never be worked at all, and you know that as well as I do. It would not pay salt. I do not think there are 80 acres, but, supposing there are, a very small portion of it will pay. It is no earthly good. It is better ground down below.

Mr. Morris : I am working a claim myself in the direction indicated, and if anybody would offer me seven acres below for one above I would certainly not take it. I maintain that it is far better. As far as the working goes, I am confident every acre will be worked in time. It is poor ground, but we cannot better ourselves anywhere else. In connection with this other matter, I should like to point out that, as to the two races, they are on auriferous ground at the present time.

Mr. Gordon : Is it from your claim to the school?

Mr. Morris : Yes.

Mr. Gordon : I speak of the piece from the breakdown to the back of the school. It is supposed to be as good ground as there is in Kumara goldfields. I think it is 14ft. or 15ft. above the Government race and running parallel for a considerable distance. These parties hold the rest, and it would simply make it poorer ground if the race was abandoned.

135. *Mr. Guinness*.] If the race was abandoned, what then?—Well, either could be connected with the ground that is now locked up. The Government has a race there, and that race is wanted to carry water into these workings; we want to take water on to that ground. We want to take water on that ground, but the people are allowed—it does not lock up the ground—the miners can shift the race. We have enough to supply them. They are taking part of the ground if they shift the race. In some instances we have paid half the price for shifting. That does not lock up the ground as far as that is concerned.

136. *Mr. R. McKenzie*.] Is it not proposed to take the water-race to Callaghan's?—You could not tunnel it. It is all Waimea water.

137. Would it affect your supply at Kumara?—It might in very dry weather; not otherwise.

138. How many heads do you anticipate requiring at Callaghan's?—About twelve.

139. *Mr. Guinness*.] Do you mean that the Government spent £5,000 to bring in twelve heads of water?—When you say twelve heads you only take it in twelve-hours' shifts.

140. I suppose you intended the weather to supply it before Nos. 4 and 5 sludge-channels were brought in?—No. 4 is only just completed. There is only one party working at that.

141. *Mr. R. McKenzie*.] When you started making No. 4, was it for one party?—It is really a question, to my mind, as to whether it will ever be worked. I remember waiting on you with a deputation on this question in Kumara some years ago, and you told us that the sludge-channel would never pay.

141A. When you have finished these two channels, will the Government have more water than they can use?—I believe by the time they are finished the Government will have all the water wanted. I can only speak as to the land behind Larrikins, with the land worked with it to the back of the terrace. It could not be made to pay, and they had to give it up.

142. Is it not a fact that ten years ago nobody worked that ground, because it was thought not payable?—These men would have kept on if they could have got anything at all.

143. Were they sluicing?—Yes.

Mr. Morris : In connection with the claim where the water-wheel is, I may say, they are working full time. They take on an average a shift and a half per day. There was a road, and the tunnel was driven across it to the end of the terrace. Now they have opened out, and are sluicing through the road to come to where they were before; and that party has ten acres, and have been working for the last eighteen months, and use on an average a shift and a half per day.

144. *Mr. R. McKenzie*.] What is your opinion as to the ground west of the Hokitika Road?—I believe there will be good ground found between the road and the beach.

145. If the Government buy the water-race, do you think it will pay?—All the additional water you would get, on Mr. Holmes's own showing, would be only twelve heads: that would be a mere flea-bite.

146. What is the fall in the channels you are putting in there now?—4in. to the 12ft.

147. That is something less than the first channel?—Yes.

148. Would they not require more flushing-water on account of less fall?—Yes, if you want to use more water.

149. If you tunnelled it to Larrikins?—But we are not tunnelling to Larrikins, but to Kawaka. We are taking it out of Kawaka Creek below the dam that supplies the Waimeas. It has no connection. You can let water out of the Waimea Race at the higher level.

150. This water that you take to Callaghan's must go through the pipe-line?—Yes; but we are not working it in that way—we have a separate race entirely to Kumara.

151. Are you aware of the number of men employed at the Kumara at the present time?—I fancy, from memory, it is something like 168 actual miners.

152. That is the population supported by this water-race?—I should think they would number, including women and children, altogether five in family.

153. *Mr. Mills*.] Are you well acquainted with this race of Holmes's?—I know only the low portion of it, not the upper portion, where the dam is, till you come down to O'Connor's and Cashman's reservoir.

154. You could not tell the Committee, then, what condition this part of the race is in?—I have never seen it.

155. Nor what it is likely to cost for the next few years to repair?—No.

156. What, in your opinion, would be the increased revenue the Government would derive by

purchasing?—I do not think they would get a penny. I think it would mean a loss. Mr. Holmes says there is an agreement between him and the Government not to lower the price; but the moment the Government take it up there will be a deputation asking for water at a lower price, so that the Government will lose by it.

157. *Mr. W. Kelly.*] Suppose Mr. Holmes reduced the price of water now?—I suppose the Government would have to reduce it also.

158. *Mr. Guinness.*] I know that they tried to get the Government, for five or six years, to reduce it, and they never did; and why should it be reduced now?—[No answer given.]

159. *Mr. R. McKenzie.*] Do you think it would be a loss to the colony if the price was reduced at Kumara?—I do not know about the colony, but it would be to the Government.

160. Do you think any more men would be employed if they could get cheaper water?—I think it is a debatable question.

161. *Mr. Mills.*] If the Government were to purchase this race, are the Committee to understand that it would not increase the number of miners in the district and afford more work?—I do not think it would increase it to an appreciable extent.

[Reference was here made to the report and plan.]

162. *Hon. Mr. Cadman.*] Will you give us a rough idea of the expense, supposing the Government were to purchase this race and make a complete waterworks scheme of the whole thing?—I could not even give a rough idea of that, because a different phase has been placed on the question beyond what I knew before. If water had to be taken from the level of Holmes's race and run through the Kumara field, opposite to where the men are working below Dillmanstown—to take the water from Holmes's race (present race) and to get flushing-water into the flat tunnels—I could not tell the cost. It would require a great length of pipes to do that.

163. To put the matter fairly before the Committee, from what you have seen now, it would not cost as much as you anticipated?—No, certainly not, if it could be taken in here from Cashman's reservoir. It would only be a question of what it would cost if it is at a high enough level to connect Cashman's dam with the Government race at the end of the tunnel.

164. *Mr. Mills.*] In a rough way, can you tell how much it would amount to for, say, half a mile?—Possibly, about £300. I know Callaghan's cost that. For twenty-four heads of water between cutting, &c.

TUESDAY, 1ST OCTOBER, 1895.

Mr. ALEXANDER AITKEN examined.

1. *The Chairman.*] You are Mr. Alexander Aitken, engineer in charge of the Kumara Water-race?—Yes; I am called manager.

2. You received a wire from me, asking you to inspect Holmes's race, take the levels, and obtain all information you could, and then come to Wellington to give evidence before this Committee?—I did.

3. And you are prepared to state to the Committee the information that is in your possession as to the state of the race, the cost of deviation, the advantages that are likely to arise from the deviation, and any other information the Committee may desire?—The first instruction I got was about the branch race. I had two telegrams, and the second was about a general inspection. I took the levels from what is called Cashman's reservoir to the high-water race at Kumara and the mouth of the tunnel. The mouth of the outlet-tunnel is 400ft. above sea-level, and the top of Cashman's dam is 481ft. above sea-level. The outlet from Cashman's dam is 17ft. lower than that—that is to say, that 481ft. is the level of the dam, and 17ft. lower is the tunnel to empty the dam. The outlet from the tunnel going into Kumara is 400ft. above sea-level, so that there is about 60ft. to spare, after allowing a proper fall for the race. The length of the branch race would be 46 chains, and it would cost about £200 to construct, and £50, I reckon, for making provision that in pouring the water into our race it did not do any damage. This would still be within the original estimate of £250. It would require a considerable amount of timber-work to prevent it from scouring. We should have to use timber, as we have no suitable stone there. All the levels of the Government dams are given on this plan. [Plan produced.] The highest-up reservoir, called Holmes's dam, and also known as Okuku Reservoir, is about 700ft. above sea-level; the next reservoir coming down is what is called the Bell's Creek Reservoir, is 558ft. above sea-level; and there is a second one in Bell's Creek, known as No. 2, which is about 20ft. lower, or 538ft. There is about three and a quarter miles of race between that and Cashman's dam (Holmes's race), and that dam is 481ft. above the sea-level. Our highest reservoir in connection with Kumara Race is 488ft. above the sea-level: that is the loop-line dam. Our smaller reservoir is 453ft., and the mouth of the tunnel 400ft. above sea-level. There is an excellent race connecting the Okuku Creek with the No. 2 dam—a very good race, and large. The No. 2 dam is in good condition. There is no race connecting No. 2 with No. 3; the water just takes the creek-bed, and does not require a race. There are about three and a quarter miles from the lower Bell Creek Reservoir, or No. 3, to Cashman's dam. The upper mile of this race is much larger than the lower two miles. They started, I think, to make a much larger race, but only widened about a mile. This race (Holmes's race) is about 4ft. wide from the lower Bell Creek Reservoir for a mile in the direction of Cashman's dam. From there for the other two and a quarter miles to Cashman's dam it is only 3ft. wide, and this portion of the race limits the quantity of water that can be carried. It will only carry eleven heads, and will require (the lower portion) to be widened. From Cashman's reservoir to the flats below the water drops 90ft., and that 90ft. is at present made use of by McConnon's sawmill—or, at least, 50ft. or 60ft. of it. From Cashman's dam downwards the race will carry from twenty-two to twenty-four heads. I have actually measured the quantity of water when testing some pipes, and that is the quantity I found in the race. The Holmes race ends at a place called Nardoo Flat, just opposite the Town of Kumara. I think that is all I can give of the description of the race.

2—I. 4A.

4. What state of repair is Holmes's race in?—The portion widened from the Second Bells Creek downwards for a mile is in good, clean, fair condition. The piece below that is only carrying eleven heads, I do not think has been cleaned for years, so far as I could see; but it is in fair condition.

5. What would be the probable additional number of men that would be likely to obtain employment, supposing that Holmes's race was introduced into the Government race?—I think it could be done with our present staff.

6. I do not think you have understood me. I mean, What additional number of miners would be employed?—No more, because Holmes is at present selling a quantity of water. It would increase the number of Government consumers, but not the number of miners on the field.

7. You say that turning Holmes's race into the Government race would not increase the number of miners on the field?—I do not think it would.

8. Is there much of the area that Holmes's race commands worked out?—About the same proportion as is worked out of the Government. Taking Holmes's and the Government races together, I think there would be an equal proportion of each worked out.

9. Is there much ground remaining that Holmes's race commands?—Yes; there is a large area of poor ground.

10. Poor ground?—Yes. I mean poorer ground than has hitherto been worked at Kumara.

11. Would this ground be worked if the Holmes's race is turned into the Government race?—In any case it will be worked some day.

12. I mean, if you take the water from Holmes's race that commands a certain amount of poor ground, will that poor ground be worked?—At present we send a great deal of our water on to the low-level ground—quite as low as Holmes's.

13. Can your race and Holmes's race command the same area of ground?—That part of the Government race at the mouth of the tunnel into which Holmes's race can be put is the highest water coming into Kumara.

14. *Hon. Mr. Larnach.*] By the junction of these two races, I understand from what you have said, the volume of water would not be increased?—The volume of water would not be increased on the field; it would be increased in the Government race.

15. I mean, so far as the field is concerned, the volume of water would not be increased?—The only increase that would take place would be by enlarging the portion of Holmes's race I have referred to.

16. I am coming to that. I was going to ask you whether it would be easy to increase the capacity? Presuming there was a junction of these two reservoirs, would it be difficult to increase the carrying-capacity of the main race? If Holmes's race was run through the Government race and the two made one, would it be difficult and expensive to increase the total holding-capacity?—Our race is large enough at the present day to do all that is required.

17. I want to know if it would be expensive or difficult to increase the carrying-capacity?—No; that could be increased by a reasonable expenditure.

18. Then this poor ground you have spoken of, which has been fed by both the Government race and Holmes's race, is really the principal kind of ground they have to work there at present?—No; there are good patches in it besides. For instance, the present Town of Kumara—underneath it—will be undoubtedly worked some day.

19. Yes; but this poor ground? The miners are anxious to work it if they can get water at reasonable prices?—Yes; that would be all worked. There is a great deal of it that I am calling poor ground by which I mean that it is poorer than the people have been accustomed to in years past. I do not mean it is not payable.

20. Yet in all this poor ground there are occasionally better patches?—Yes.

21. Do you think it would be a desirable thing in the interests of the field that this work should be carried out?—If I were a private individual, I do not know what I would do; but, under the circumstances, and from the Government point of view, I think it would be better that the whole of the water should be under one management.

22. *Mr. A. R. Guinness.*] You mentioned to-day that McConnan, the sawmiller, used certain water that overflowed?—He uses all the water that Holmes sends down to Kumara. It has to go through the mill.

23. He has to pay for it?—Yes, he pays so much a month.

24. It is part of the income of the race?—Yes.

25. How was it that the race was in a fair condition below that mill, and it had not been cleaned?—It had not been cleaned or widened.

26. Would it cost much to clean it out?—Do you mean simply to clean it out, or clean and widen?

27. Can you give an estimate of the cost of widening and cleaning it out? What would be the cost of widening it for two miles and a quarter?—About £2 per chain—that is, £160 per mile.

28. If the Government were to become the proprietors, would you recommend that to be done?—Yes, certainly.

29. Do you know that Holmes has a freehold along the banks of the Teremakau River?—Yes; 40 acres.

30. Do you reckon that it would be necessary if any one purchased Holmes's race that property should go with it?—I would not purchase the race at all unless those 40 acres went with it for tailing purposes.

31. I want to draw your attention to something the Miners' Association say here. You know the Miners' Association appointed a committee to investigate this petition received by them in favour of the purchase of Holmes's race?—The only petition I know of is the petition sent here.

32. Yes; but that stated that thirty-five miners now using Holmes's race sent a petition to the Kumara Miners' Association urging the purchase of it?—I never saw that.

33. Are you aware that, as the result of that petition, they appointed a sub-committee to examine and inquire into the whole position?—I know there was an inquiry.

34. They say that when Nos. 4 and 5 channels are completed there will not be sufficient water by about 50-heads power to meet the deficiency of water that the Government can supply?—I have not gone into that. It would be impossible to calculate how much more water would be demanded if the channels were all at work, but there will be a greater demand for water when all the channels are open.

35. Will that demand be greater than the Government race can supply?—I think it will.

36. This sub-committee of experts also says that two of those dams of Holmes's can be made at a moderate outlay to conserve a large quantity of water which now runs to waste during the wet weather. Is that your opinion?—It is my opinion that this No. 3, or second in Bell's Creek, could, undoubtedly, be raised and a very great deal more water kept in it.

37. That would add to the supply of the fall?—It would add to the permanent supply.

38. They also suggest, and in fact you have also, that by widening the rest of the head-race, from the point where the widening ceases to the end, for about two miles and a half, a more rapid outflow of water would be obtained?—A larger body would be obtained, and the larger the body the more rapid it will flow on any grade.

39. They say it would cost about £100?—I made no estimate. My estimate is £250 for the deviation to connect Holmes's race with the Government one.

40. They say that the miners now purchasing water from Holmes would receive an immediate reduction of 40 per cent. in the cost of water if this additional supply was brought in, and it would enable them to work ground it would not pay to work under the present conditions?—I do not exactly understand. A reduction in price does that mean? "To those miners now purchasing water from Mr. Holmes an immediate reduction of 40 per cent., thereby enabling them to work ground which could not be worked under present conditions. A reduction to those miners would also be a direct benefit to the district, as the purchasing-power of the miners would be increased, and the increased area made available for working by the reduction would give a longer lease of life to the field, and at the same time prevent a large number of miners being thrown on the labour market." I think that what they refer to there is that in the Government race we are in the habit of giving far better measure than Holmes gives, and I think that the reduction referred to there might refer to that, and not to a reduction to the extent of 40 per cent.

41. The reduction, at any rate, that they speak of here, they say, would be a direct benefit to the district, as it would enable them to work ground which at present they are unable to work?—That would mean they would get more water for the same money from the Government.

42. Do you agree with that opinion?—That would be correct.

43. Have you formed any opinion or gone into the thing carefully enough to be able to give an accurate estimate as to whether the quantity of water now owned and supplied by the Government to the field is sufficient to provide all the miners who want to work Nos. 4 and 5 sludge-channels with water?—It would be impossible to form a fair estimate of that.

44. These miners in this petition allege that unless this water of Holmes's is brought to the assistance of the miners wanting to work Nos. 4 and 5 channels a large number will be shut out and not have the use of these channels?—Yes; Government water will be short.

45. Will not Holmes's water supply that deficiency?—If the deficiency is to the extent of the quantity of water which falls short, certainly it will supply that deficiency; if the deficiency is more than that, of course, it would not.

46. *Hon. Mr. Cadman.*] I presume that, whoever purchases the race, those 40 acres of tailing-site would have to go with it?—I should certainly say that it should go with the race.

47. What will it cost to raise that No. 3 dam of Holmes's?—It is in a peculiar place, but it would not cost a great deal to raise. The No. 3 dam has not only the by-wash alongside the embankment, but also the by-wash about the centre of the dam—about a quarter of a mile away. If the dam were raised the water could get away in two or three places, but these could be easily dammed and made up so that the dam would hold more water.

48. Then, with respect of the claims now being supplied with water from the Government race, how long will it be before some of them drop out?—The extra water that was spoken of is to work Nos. 4 and 5 channels.

49. I mean, you have a certain amount of water now that you are disposing of from the Government race.—We supply two claims just close to the Kumara Township.

50. You do not quite understand what I mean. What I want to get at is this: I understand you to say you would require more water as you open up new ground, and what I want to bring out is, as to whether, by the time you have opened up No. 5, some of the other claims will not be worked out, and so relieve you?—Claims are constantly being worked out, but recently the miners are beginning to use more water.

51. Then, as to this 40-per-cent. reduction mentioned in the petition?—The idea is that they will get the same concession as they are now getting from the Government.

52. If that were done would the race bring in the same revenue as it is bringing now to Holmes?—It could not possibly do so.

53. There would be no water to spare?—Not unless they got extra water out of the Government race.

54. You say that the water, if the Government acquire it, cannot, you think, employ a larger number of men than are now employed?—The water is on the field and available now, and I cannot see that the change with this water will make such a very great difference.

55. From your knowledge of the district and the surroundings generally do you think that if the Government were to acquire this race there would be an immediate agitation to reduce the price of water?—I believe there would be.

56. So that, in the event of the race being completed, the revenue from the whole race would not be increased?—I do not think it would. I might say that my own idea at present is that the Government price is too high. I have never expressed that opinion before, not even in Kumara,

but before this Committee I have no objection in doing so. While on that question, and as you are not likely to ask the question of me, I may say that water at the Kumara is double the price that it is at the Thames, where water is scarcer.

57. Perhaps it would be as well to state what, in your opinion, was the amount of capital the Government expended before they could use this water.—There is no doubt that a very large amount of capital is required to open up water-races in Kumara.

58. Would you tell us, now, what you estimate would be the cost to the Government, outside the question of purchase, to put the race in good order to secure what water is available for the benefit of the district?—About £1,000. There will be close on £400 for that two miles and a quarter, and £250 for the branch race; but I would not be inclined to cut the branch race. I would make Holmes's race supply the low levels without our interfering with it at all. We have to send down a portion of our high-level water now to supply our low-level claims, and, instead of sending that down, we could send Holmes's water down. About £1,000 is my estimate of what it would require.

59. *Mr. C. H. Mills.*] How much larger is the race below this Cashman's than the portion of two miles and a quarter you have referred to?—It is about double.

60. Is it larger than the head portion of the race—the one mile?—It is larger even than the one mile.

61. By putting this water from Holmes's race into the Government race at the mouth of the tunnel would it not give much greater pressure for the work of the miners on the low ground?—No; it would do, could it be taken advantage of, but this is all low ground, and there is no way of carrying out the high-level water; there is not ground to carry it on.

62. What is your opinion as a business-man about the advisability of the Government purchasing this race?—If I looked at it as a private individual, interested only in the field as a speculation, and as one who did not care about the goldfield as long as I made money, I would not buy it unless I got it at a fair price; but you will look at it from a wider point of view than ordinary commercial men.

63. If you owned the Government race would you consider it a good business transaction to purchase Holmes's race now?—Yes, if I got it at a fair price.

64. What would you consider a fair price?—That is one of the things I can give you no information upon, as I have no idea of the revenue from Holmes's race. Since I received my instructions I have been taking more notice of what water it has been disposing of than I did before, and I should say that from £4 to £5 per day is what he is receiving. At one time, taking an average from 1890 to 1893 or 1894, he must have been making £1,000 to £1,200 a year clear from it.

65. How long, in your opinion, would he be able to maintain that revenue? I mean, what extent of ground does that race actually command?—I think, from what we know at present of the ground available for mining, it would last for a good few years yet; but on a goldfield you are never sure of what will take place. If there is a new development it may be worth a great deal more.

66. If he sold it to any other person, and they chose to lower the price of water from that race, would that necessitate the Government bringing down the price?—I think it would.

67. Do you think, if this race of Holmes's was purchased at a reasonable price, the two combined would still return a fair amount by way of interest and sinking fund to the Government?—I think the Government race itself will return a fair return for many years to come.

68. Still the Government would get good interest for this extra outlay?—Yes.

69. *Mr. R. McKenzie.*] You have two sludge-channels, Nos. 4 and 5?—No. 4 is just completed, and No. 5 is in course of construction.

70. And you require an additional supply of water to work them when they are finished?—Yes; it will require more water than the Government race has.

71. How much additional water do you reckon you will require?—It would be mere guess-work if I told you.

72. You can tell us approximately. Supposing there are twelve claims on this No. 5, and all turn to work?—But supposing some of them do not turn out? You cannot tell how many claims will work.

73. What is the lowest quantity of water you can work with to make them workable?—The No. 4 will work about sixteen heads at the least for one party only, and two parties would not require double that quantity.

74. What about No. 5?—It will require more water than any channel we have, because the grade is lower.

75. What would you say was the least quantity you could work No. 5 with?—The same quantity, but you would not send away the same amount of stuff.

76. Well, to send away fair washing?—It would require about ten heads for each claim at least, but you could run thirty in it—that would be, thirty heads supplied to the claims, and twelve heads of flush-water, or forty-two heads altogether. Flush-water is being supplied by the Government hitherto free.

77. In answer to Mr. Cadman you said that if the Government took over Holmes's race you would not divert it at all?—I think it could be almost entirely used on the lower grounds, and our own water kept on the higher grounds.

78. To work these channels at all you require more water; you cannot work them with the supply you have at the present time?—Of course, if the claims keep up that there are now, and twelve claims were added, we could not supply them all.

79. That means that you cannot supply them?—We make it a practice always in Kumara to give the old claims all the advantages so as to keep them going fully, while the new claims would have to take their chance.

80. From Cashman's dam you would carry from twenty-three or twenty-four heads?—About twenty-four heads.

81. For how long in wet weather would Cashman's dams run twenty-four heads?—About as long as the Government race.

82. If these two miles and a quarter were widened sufficiently to carry twenty-four heads he would have twenty-four heads for a considerably longer time?—No; it would empty the dam sooner. If you use more water than a dam of limited capacity can hold it will get the sooner empty, and that is supposed to be provided against by raising the dam and making it hold a larger quantity.

83. Do you think a supply of twenty-four heads could be got there by raising the embankments of the reservoir?—It really does that now, because the dam is filling during the night; but we might, instead of taking two parties at a time, take three.

84. You know the ground between the Hokitika Road and the beach?—Yes.

85. Do you think any portion of that ground will be sluiced in time?—I do.

86. What area do you think that ground to be?—About five or six miles.

87. About five miles by six would it not?—No; five miles by about four.

88. Are you of opinion that there is a great probability that it will be sluiced?—I think a good deal of it will be in course of time.

89. Is that the general impression in the district?—Yes; that is the general impression of those who have thought of it.

90. Is that your own opinion?—I think a large portion of it will be worked.

91. Whereabouts is this 40 acres? Above the Teremakau Bridge?—Below it, about one-eighth or a quarter of a mile.

92. Will any of these sludge-channels discharge into that ground?—No, none of these.

93. If you want to put in any sludge-channels lower down?—Then that is the only part of the Teremakau into which you can discharge.

94. You could not discharge into the river without going on to it?—No.

95. If you want to bring in any tail-race below the Hokitika Road?—If there is a No. 6 channel going in at Kumara it must go down there.

96. Two pounds a head is what you charge for water at Kumara—the nominal charge?—That is correct.

97. As a matter of fact, all that you receive is £1 10s.?—Yes; that would be about it.

98. I see that last year you gave away about two thousand pounds' worth of your water?—I forget exactly.

99. It is £1,901. How do you come to give this water away? Is it your opinion that Holmes's water-race, if the Government bought it, would be a payable investment at the reduced rates you are getting for water?—I am not up in the financial position at all. I have only taken notice of it since I got the Chairman's telegram. I have never taken notice of what his revenues are.

100. You told us about £5 a day?—About £4 recently, as far as I could see.

101. Is there any other means you are aware of by which an increased supply of water could be brought on to Kumara?—No; there are other means, but they are altogether out of reach. There are plenty of waters, but the cost would be too great.

102. *Mr. O'Regan.*] Is there any disparity between the price paid for water to the Government and that paid to Holmes?—Yes, in this way, we give very large measure, but only to that extent. And if claims are very poor we make reductions to them when it is absolutely necessary.

103. Do not you think the reason the miners are so anxious that the Government should acquire Holmes's race is that they believe they would receive more liberal treatment than from Mr. Holmes?—That is the position.

104. Do you think it absolutely necessary to acquire these 40 acres of freehold?—I certainly consider they ought to go along with it.

105. As a tailing-site?—Yes.

106. If it would be a fair question, how much do you think the whole of Holmes's property is worth?—If I was a speculator in races, with no compunction about dragging all I could out of the miner, I would take all these things into consideration, but the Government, of course, does not do so.

107. Do not you think that Holmes, knowing of the monopoly, it in a position to dictate his terms?—I do not think so. The Government, so far as the water-supply is concerned, are totally independent.

108. If Holmes's race is acquired you think the mining interest in Kumara would get a fresh impetus?—Yes.

109. You have already expressed the opinion that the Government water is too dear?—I think, instead of the Government giving away so much in free water, I would sooner see the price reduced.

110. *Hon. Mr. Cadman.*] What is the difference to the men at the end of the week?—They call it "begging," and they would rather, if they were able to do it, pay the money. For instance, if they come to me for free water I make them sign a declaration to the effect that they are only earning a certain amount of money, and they look on it as charitable aid. The men who can afford it pay the full price.

111. Would you do away with free water and reduce the price all round?—No; but I would reduce the price considerably and limit the free water. There is one piece of information I should have given the Committee. There is the following piping belonging to the race: 1,250ft. 30in., 1,700ft. 19in., and 950ft. 13in. in connection with the syphons. Not loose pipes, but in the race.

112. *Mr. McKenzie.*] Can you give us any idea of the cost of the race when constructed?—No, I could not; but it must have been a very large sum of money.

113. Could you give an idea approximately?—I believe £20,000 was spent on the race.

114. *Mr. C. H. Mills.*] Since you received the telegram from the Chairman you have been right along the race?—Yes, from end to end.

115. As a practical man, can you give the Committee some idea of what you consider its value?—No. If I was acting commercially, and wanted to buy that race, I would ask him to show me his books, to ascertain whether he got the revenue stated, and I would go among the men and ascertain whether they really paid it or not.

FRIDAY, 4TH OCTOBER, 1895.

Mr. AITKEN further examined.

1. *Mr. Allen.*] I want to know, if Holmes's race commands this low ground, what is the use of putting it into the Government race?—All this low ground (indicated on the map which is before the Committee) is commanded by Holmes's race or at present supplied by Holmes's race. A part of it occupies the ground near the Teremakau River and along the river. But the Government have their race back from the Teremakau River at the back of the flat, and altogether at a higher level. Without connecting Holmes's race with the Government race at the tunnel-mouth you could not run the Holmes water into our race; that runs round in this direction—that is, in the direction of the Kapitea Hill Race. This connection would have to be made from Cashman's dam on the Holmes race to our race. The tunnel-mouth is the most convenient place at which the connection could be made. As matters stand now, it commands the whole of the ground close to the Teremakau River, but not the ground here at the back.

2. Is there much of this ground which Holmes's race commands that is unworked and can be worked?—A considerable portion of it is unworked and can be worked; the Government is also supplying claims in the same locality. There are three claims which the Government race supplies. In order to supply these three claims, we have to take about 60ft. fall to get on to a lower level—about the same level as Holmes's race.

3. Then the whole of Holmes's water and the Government water, which is now required, would be required for working this flat near the Teremakau River?—Yes.

4. That is the reason for making the statement that it might not be necessary at present to connect Holmes's race with the Government race: at the same time, there is a chance of the Kumara Goldfield stretching down to the beach in this direction; if it do so the whole of the water belonging to Holmes's race and the Government race would require to be put into the Kapitea Hill Race?—Yes.

5. But that is in the future?—Yes; that is in the future.

6. Where is the connecting-point between Holmes's and the Government race?—Between Cashman's reservoir and the mouth of the tunnel.

7. From that point the water can be carried to the higher level?—It commands the whole field at that point; the Holmes water drops from Cashman's dam into Holmes's race on the low ground about 90ft.

8. Can you give us any idea how long it will take to work out the ground now commanded by Holmes's race?—I have a table here that would show it; the claims supplied by Holmes's race appear on that sheet [table referred to]; there are seven; there is also marked the number of years it would take to work them out from the present date.

9. It appears, then, that there are seven claims commanded by Holmes's Water-race, and that it would take ten years to work out two, six years to work out four, and two years to work out the others?—Yes.

10. Are there any others on the Teremakau Flat?—There are three claims there supplied by the Government water.

11. Two of these will take ten years to work out, and one will take three years; is that right?—Yes.

12. So that there are altogether ten claims on the flat—seven using Holmes's water and three the Government race; and it would take the times mentioned to work them out?—Yes.

13. If that be the case there is no necessity—or is there any necessity for some six to ten years to come at least—to run the Holmes water into the Government race?—The probability is that it would not be wanted for some time to come; but, by having the connection in such a way that we could send the water anywhere, it would be a great convenience in having it from one starting-point. By having it from one starting-point we could very often use some of it when it was not wanted down there. If the connection were made it would be most convenient to have it at the highest possible point for the purpose of distribution.

14. Is there any time of the year during which there is water to spare in Holmes's race?—Yes; there has been a little.

15. Does that occur often?—Yes, very often. Holmes has not a sufficient number of parties to use the water that is available in his race, but with the three Government claims added to Holmes's they would then probably be able to use the whole of the water without having to send any of ours down to the low level.

16. Will you tell me why the Government is supplying these three claims when Holmes's race could supply them?—I cannot tell you any reason for it, except that the parties prefer to take it from the Government.

17. Do they get free water?—They get a little; they get better measure than they do from the Holmes people.

18. They do get some free water?—Yes; a little.

19. Is the level of Holmes's higher than the Government race?—The Holmes race is higher.

20. *Mr. Fraser.*] What do you call that ground which you first pointed out on the map?—That is the Kapitea Hill race.

21. Have you any knowledge yourself of the high ground?—The high ground of the Kumara Goldfield is not shown here; it is not anywhere near the Kapitea Hill Race.

22. The object of purchasing Holmes's race is to have water available for working the ground which Holmes's race does not command; is that so?—Yes; that statement is correct.

23. What is the nature of the ground to be served, and what will be the prospects of the miners?—It would be somewhat poorer ground; it would pay small wages; but poorer ground is worked at Kumara.

24. Is it as poor as the low ground marked on the map?—It is about the same.

25. Then, the purchase of Holmes's race by the Government would not result in bringing a wider area of richer ground into work than is now worked?—No, not richer.

26. Is it not stated otherwise in the petition?—The ground along both races is good ground; and, if Holmes's race were purchased by the Government so that both might be worked from one starting-point, the shifts could be arranged so as to work the whole supply more conveniently.

27. Holmes's race commands a certain area; it is alleged that the Government purchasing it and turning it into their race would command another area; what I want to know is which is the richer area?—The background, which is about the same level as the ground about Teremakau, is not commanded by Holmes's race.

28. Which is of the greater value?—They are about equal.

29. That being the case, would it be advisable to take any water away that is now sent down to this low ground and put it on to other ground?—It would not be advisable until this front ground is worked out.

30. How long will that be?—I can only refer you to the table already mentioned.

31. You have given some evidence as to revenue?—From £4 to £5 a day is contributed by the miners.

32. That would be supplemented by something that the mill pays, so that if the water did not go down there nothing would be received for it?—A very small amount.

33. *Mr. Allen.*] I want to ask you a question about the clause referring to that subject which states that it is somewhat strange that Mr. Holmes, receiving £2,556 per annum, should be disposed to sell for £6,000; is that correct?—No.

Mr. Guinness: If you refer to what Mr. Holmes says himself you will find that it is correct.

Hon. Mr. Cadman: Holmes says that his net revenue is about £800 a year.

Mr. R. McKenzie: He said, I think, that his receipts were about £1,200 a year.

34. *Mr. Fraser.*] Do you consider the desire manifested by the miners in that district that the Government should acquire this race arises from the hope that they will get water cheaper than they do at present?—I have no doubt of it.

35. *Hon. Mr. Cadman.*] Will you tell us how many hours a day they use this water, which they get for £2?—£2 is the price at Kumara for forty-eight hours' water, three-hour shifts. It used to be four, it is now three. If they run for two hours we charge for two hours. At the end of the month we put it all into the eight hours a day.

36. You get a run of water for forty-eight hours for £2?—Yes, per sluice-head.

37. Virtually they pay only £1 10s., for there is an allowance made?—Yes; there is an allowance made which makes it equal to £1 10s. a week.

Mr. Guinness: There may be an allowance made to some, but the working-miner earning £3 a week gets no allowance.

38. *Mr. Allen.*] Your evidence tends to show that they want to secure a reduction in the price of water?—I have no doubt that actuates them to a large extent; they expect to be better off with the Government than they are with Holmes.

39. Will you tell us if there is any reason that you know of why the Government should not reduce the price?—My opinion is that it would be better to reduce than to give so much free water.

40. You say there is no reason that you know of why they should not reduce the price?—Well, there may be reasons, but I do not know them.

41. *Mr. Fraser.*] Would not the fact of the Government reducing the price compel Holmes to do the same?—Certainly it would.

Mr. Kelly: Only to the extent of the three claims that have been mentioned.

42. *Mr. R. McKenzie.*] Mr. Allen has asked you whether there is any necessity for the next six or ten years to turn the water of Holmes's race into the Government race; that means that it would take from six to ten years to work out the ground commanded by Holmes's race; is it the fact that you have two sludge-channels?—Yes, Nos. 4 and 5; No. 4 is finished, No. 5 I expect will be finished soon. We have enough water for No. 4; there is only one party at work; the probability is that in about twelve months from now we will be short of water.

43. Do you expect to have any parties falling out during the next twelve months?—Three parties have fallen out during the year.

44. Would they work in No. 4 or No. 5 channel?—Some of them probably would.

45. How long would you think it a reasonable time to expect that the Kumara field would be worked out as regards this flat, I mean the ground altogether down to the road?—Fifteen or twenty years perhaps.

46. If there are more channels put in lower down, are you of opinion that the race will be fully occupied?—Yes.

47. *Mr. Guinness.*] Mr. Allen has said that it appeared to him that the only ground, apparently, for which Holmes's race was of any use to work was the unworked lower ground. Is it not the fact that Holmes's water-race is required to supplement the Government supply so as to work the ground on the high level at the back of Kumara?—Our higher-level race commands the whole field; the ground at the back is at nearly the same elevation as in front, but Holmes's water cannot be taken over to the background; it is too low for that, and it would require to cross a large extent of worked ground.

48. Would you not shut off some of your high-level race which would have to be supplemented by water from Holmes's?—I do not know that I quite understand your question.

49. You say that Holmes's commands the ground at the lower level; your high level commands the ground at the back; in order to supply the demand at the higher level would not some of your customers at the lower level run short, apart from No. 4 and No. 5 channels?—I do not call that at the back a higher level; I call it all pretty much the same level.

50. To meet the demand at the back, which your high level was intended to supply, would it not be necessary to supplement your water by getting the water in Holmes's race?—Yes.

51. As soon as No. 4 and No. 5 channels are in working order?—Yes, when No. 5 is ready.

52. *Mr. Fraser.*] Can Holmes's race be taken to the back of Kumara at all?—Oh, yes; by making the connection at the lower end of the tunnel.

53. Suppose the Government took the whole of the water, would Holmes's race command all the low ground?—Yes, Holmes's race commands it all.

54. Those three claims as well?—Yes, Holmes's could supply the whole of those claims and ours as well.

55. Then, without the purchase of Holmes's race by the Government cannot all the claims on the flat be supplied with water?—Yes.

56. *Mr. R. McKenzie.*] You say that Holmes's could supply the three parties you supply, could he do that without inconveniencing the parties he is supplying at present?—Yes.

57. It is stated that the two miles and a quarter wanted widening; if that were attended to could it supply you in dry weather?—Yes, I think he could then supply in dry weather.

58. *Mr. Carncross.*] If the Government were to materially reduce the price of the water do you think the agitation for the purchase of Holmes's race by the Government would cease?—The miners have more confidence in the Government than they have in a private proprietor.

59. *Hon. Mr. Cadman.*] You would lead us to believe with respect to the price of water, at least the impression you conveyed to my mind was, that you were of opinion that the price of water at the Thames was very much cheaper than the water at Kumara?—I understood that the price of water at the Thames was not much more than half the price of water at Kumara.

60. Will you explain how you arrived at that conclusion?—The Thames water is paid for at the rate of £3 for 144 hours, or £3 per sluice-head per week taking it for the whole twenty-four hours; the miners at Kumara pay £2 for forty-eight hours with an allowance made by the Government.

60A. *Mr. Guinness.*] Miners working for £3 a week get no allowance?—No.

61. *Hon. Mr. Cadman.*] Since you made that statement I communicated with Mr. Wilson of the Thames, and asked him for the information. I requested that he should send me the price of water per sluice-head. I have received a telegram from him in which he says that the price is £4 when used in the daytime, and £3 when used at night. This reply, however, does not convey the whole of the information necessary; and I telegraphed back to him to the following effect: "Please state what constitutes a day's and a night's water respectively"; to that I have received the following reply: "A day's water is from 6 a.m. to 6 p.m.; a night's water is from 6 p.m. to 6 a.m.; if the water is used continuously day and night the charge is £3 a week?—I have no doubt Mr. Wilson is right.

62. *Mr. Fraser.*] There is 40 acres there at the bottom, do you say that if the Holmes race is purchased, that must be purchased with it?—It would go with the race.

63. *The Chairman.*] Holmes's race you say commands the lower level ground; you say that Holmes has not a sufficient number of parties working to use his water. Now, if the water is not used which commands the ground is that because of the poverty of the ground?—Several of his claims have fallen out; they have been worked out; he has not so many customers as he used to have.

64. Is there ground still payable that his race commands?—Yes, a considerable area.

65. *Mr. Fraser.*] Not taken up?—Taken up and not taken up.

66. The purchase of this race by the Government would not beneficially affect that ground?—No.

67. *Mr. Mills.*] If the Government purchased Holmes's race and gave the extra water, similar to what you give from the Government race, would that make other miners take up the unoccupied ground?—The probability is that it would tend to that.

Approximate Cost of Paper.—Preparation, not given; printing (1,350 copies), £10 6s. 6d.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1895.

Price 6d.]