

Government Valuation Department, to be paid to Messrs. J. M. Powell and William Bird, the only two claimants for land compensation, are fair compensation for any injury the land is likely to sustain.

It has been stated that Mr. William Bird has transferred his interest to Mr. J. M. Powell in the one section for which he claimed.

Transcript of evidence taken by your Commissioners, together with maps, showing lands for which claims have been made along the different rivers, transmitted herewith.

We respectfully submit these matters to the consideration of your Excellency.

Given under our hands and seals this 19th day of March, 1901.

HENRY A. GORDON, Chairman.
THOS. HUMPHRIES.
F. R. FLATMAN.

To His Excellency the Right Honourable UCHTER JOHN MARK, Earl of Ranfurly, the Governor of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

In compliance with your Excellency's Commission of the 7th day of January, 1901, to inquire into any matter or thing arising out of or connected with constituting and setting apart certain rivers and streams in the Provincial Districts of Nelson, Marlborough, and Westland as watercourses into which tailings and waste water produced by or resulting from mining operations may be discharged; also, as to the resulting benefit to mining and other industries, and the resulting injury to the agricultural and other industries, in the event of such watercourses being so proclaimed; also, the sum that will probably be required to settle claims for compensation or to take the land compulsorily; also, as to the existence of riparian rights in individual cases, your Commissioners have the honour to forward an interim report as follows:—

HOKITIKA RIVER.

The Hokitika River takes its rise in the Mathias Pass, in the dividing range between Canterbury and Westland, and flows through mountainous country for a distance of twenty-five miles, when it debouches into a plain. A portion of this plain lies between the Hokitika River and a tributary, the Kokatahi River, and comprises an area of about 8,000 acres of fertile land, which is either cleared and grassed or covered with light timber and low scrub. Between the Kokatahi and Kanieri Rivers there is a further area of about 8,000 acres, a large extent of which is held in fee-simple and under cultivation.

Gold has been found in sufficient quantities to pay for working on the beaches of the Hokitika River in the gorge above the plain referred to, but none of a payable character has been found in the Kokatahi River or any of its branches. After its confluence with the Kokatahi, about eight and a half miles from the ocean, the Hokitika River passes through a belt of highly auriferous country. On its south side are the gold-workings on Seddon's Terrace, Rimu, and Woodstock, where large deposits of auriferous drift exist, which, it is said, would give good returns from working if a sufficient quantity of water were available to carry on hydraulic sluicing on an extensive scale. The evidence tendered your Commissioners in regard to this showed that a considerable amount of capital was required to provide an adequate water-supply to work Seddon's Terrace, but, owing to the river not being proclaimed, the money could not be obtained. A considerable number of dredging claims have been taken up in the bed of the Hokitika River, between the eastern boundary of the Hokitika Borough and the junction of the Kokatahi River, and three dredges are in course of construction.

In regard to the damage the agricultural land would sustain by the proclamation of the Hokitika and tributaries, your Commissioners are of opinion that the settlers having lands on the north side of the river would not be injured to a material degree by dredging operations in the bed of the river, or by workings on Seddon's Terrace, for between the terrace and the river there is fully a mile of low-lying lands belonging to the Crown, on which the tailings from sluicing would be deposited.

Your Commissioners are of opinion that the quantity of gold likely to be obtained from the Kokatahi and its tributaries would not be commensurate in value with the extent of injury that would be done to the land if tailings were discharged into that river and different streams running into it. The land lies low, the beds of the watercourses are shallow, with very little fall, and the tailings would be likely to destroy a considerable area of land, besides greatly interfering with the drainage of the country, which is highly suitable for dairying purposes. Your Commissioners recommend, therefore, that the Kokatahi and its tributaries be not proclaimed.

A considerable sum of money has been expended in the construction of harbour works at Hokitika, and it would be undesirable to allow dredging to be carried on close to the port, as it might have the effect of silting up the harbour. The recommendation is therefore made, that dredging operations be not permitted within three miles of the ocean.

Your Commissioners recommend that the Hokitika River, from its source to within three miles of the ocean, with all its tributaries—excepting White's Creek, Raft Creek, Duck Creek, and the Kokatahi—be proclaimed watercourses into which tailings and waste water produced by or resulting from mining operations may be discharged. The amount of compensation assessed by your Commissioners, in the event of this recommendation being carried out, is £1,540. No claimant has riparian rights.