

and 5, Block I., 1 and 2, Block IV., Section 2, Block III., Ahaura Survey District. These sections were not examined owing to continued wet weather, which kept the river in a state of flood so that it could not be forded. Your Commissioners, however, endeavoured to obtain reliable information with regard to the likelihood of these lands being damaged in the event of a proclamation being issued.

Your Commissioners have assessed the prospective damage to the lands for which claims have been made at £9,264, but of this amount £857 is set down opposite the names of claimants having land on tributaries the proclamation of which, in the opinion of your Commissioners, would not further the interests of mining. The tributaries referred to are: Sawyer's Creek, Kaiata Creek, Omotumotu Creek, Otututu or Rough River, Haupiri River, and that length of the Ahaura River above Granite or Randall Creek. Mining has never been carried on along any of these lengths of watercourses, with the exception of Sawyer's Creek, and there is no likelihood of gold being found in sufficient quantities to cover the expense of working the ground. Sawyer's, Kaiata and Omotumotu Creeks are recommended not to be proclaimed, for the reason that one discharges into the lagoon near the Grey Harbour, and the others into the river within two miles of the harbour, and mining along them might interfere with the Greymouth Harbour-works.

Regarding the harbour-works, your Commissioners recommend that no dredging claims be allowed to be taken up or tailings from hydraulic-sluicing claims permitted to be discharged in the river within five miles of its mouth.

A number of dredging claims and prospecting dredging areas have been taken up by claimants along the river, while other claimants have given options over their properties for dredging purposes.

There are four dredges at work on the Grey River, and an additional three are being built. On the tributaries there are three dredges at work, and four others in course of construction. The dredges at work are in some instances stacking the tailings in the beds of streams to a height varying from 15 ft. to 30 ft., and this mode of working may cause considerable damage to adjoining lands, as it will tend to divert the water into fresh channels, and cut away land which otherwise would not be liable to damage. Your Commissioners are of opinion that provision should be made by legislation, or regulation, to prevent the channels of streams being so blocked up.

In view of the large extent of mining carried on in the different tributaries, your Commissioners recommend that the Grey River, from the township of Dobson with its tributaries to the sources—with the exception of Sawyer's Creek, Omotumotu Creek, Kaiata Creek, Otututu or Rough River, and that length of the Ahaura River, with the tributaries above Granite or Randall Creek, and those tributaries of the Grey River already proclaimed—be declared watercourses into which tailings and waste water produced by or resulting from mining operations may be discharged.

Annexed hereto are plans showing sections of land for which compensation is claimed. Those sections coloured red will, in the opinion of your Commissioners, be affected by the proclamation above recommended; those sections coloured yellow will not be affected more than they are at present; while those sections coloured brown are affected by streams which your Commissioners recommend should not be proclaimed.

Transcript of evidence taken by your Commissioners is transmitted herewith.

All these matters we most respectfully submit to your Excellency.

Given under our hands and seals this 29th day of May, 1901.

HENRY A. GORDON (Chairman).
FREDK. R. FLATMAN.
W. J. MURRAY.

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

MAY IT PLEASE YOUR EXCELLENCY,—

In accordance with your Excellency's Commission of the 7th day of January, 1901, to inquire into matters connected with constituting and setting apart watercourses in the Land Districts of Marlborough, Nelson, and Westland by proclamation for the purpose of facilitating mining operations; to show the resulting benefit to the mining industry and resulting injury to agricultural and other industries, and to set forth the sums that will probably be required to settle claims for compensation or to take the lands compulsorily, your Commissioners have the honour to forward an interim report as follows:—

INANGAHUA RIVER.

The Inangahua River from its source, near Mount Haast, in the Victoria Range, to the town of Reefton, flows through a mountainous and densely-wooded country, and, with the exception of the village at Black's Point and the immediate vicinity thereof, there are only seven small holdings in the thirty miles.

From Reefton to its confluence with the Buller the river runs for twenty-five miles through a valley of varying width, with a considerable area of low-lying land, which is partially covered with water when the river is flooded, and it is over this length that damage to any extent is likely to be done.

On the western side of the river, between Reefton and the punt-crossing, known as "the Landing," the banks in some places are composed of high faces of gravel, which are cut away during floods, the result being a gradual raising of the river-bed. The same effect is produced, though in a lesser degree, by the erosion of the low banks on the eastern side. A considerable area of the freehold land has already been washed away, and, apart from any question of the proclamation of