

claiming those lands about entering into an agreement respecting the same. I found a very strong disinclination on the part of the Natives to give up their claims to the tidal flats to the north of the Karaka Stream; but on the 20th April Te Hoterene Taipari, Wirope Hoterene Taipari, and Te Meremana Konui, signed an agreement to permit gold mining over the tidal flat claimed by them between the Karaka Stream and the River Kaiwhakaurunga. Enclosure P.

After that date I attended at the Native Land Court, at Auckland, to watch over the interests of the Government in cases affecting the gold fields, and also to see that arrangements made between the Native owners about the subdivisions of lands within the town of Shortland were adhered to and properly understood. It was deemed necessary for the protection of the interests of the Crown as to mining, and those of the lessees of the town allotments, that the Court should be asked to recommend certain restrictions being placed in the Crown Grants for lands forming part of the town of Shortland. A form of restriction under three heads was submitted by Mr. McCormick, counsel for the Crown, and approved by the Court. The proposed "Auckland Gold Fields Proclamations Validation Act, 1869," will probably render it now unnecessary to put the first of these in the grant. I presume, however, that it will be found desirable for the protection of the interests of those persons who have leased allotments in Shortland Town, under the provisions of the agreement with the Government, that the second restriction should be inserted in the Crown Grants. It must be borne in mind that a large and flourishing township has arisen there under the arrangements made with the Natives on behalf of the Government; that the value of the buildings erected there is at least £250,000; and this great interest requires protection, for if this is not done the European lessees will be at the mercy of the Native grantees when they receive their Crown titles to the land. As previously mentioned, the land is generally leased for the first term of seven years at the rate of 6s. per foot frontage. The tenants have the option of taking seven, fourteen, or twenty-one years' lease, commencing from the 1st January last. For every term of seven years there is an increased rent of 1s. per foot frontage over all streets but Pollen Street, and there the increase is 1s. 6d. per foot for each term. Tenants are to have the refusal of a renewal of their leases at the expiration of the term of twenty-one years at rents then to be arranged. All buildings to be the property of the lessors on the expiration or falling through of any lease. If the Native owner desires to sell the land, the tenant is to have the option of purchase. The rentals at present received are about £5,000. Enclosure Q.

The third restriction proposed to be inserted in the grants is necessary to enable the local authorities to have power to make, maintain, and keep in order the public roads and streets in and adjacent to the town, as now laid out.

A number of the claims on the Thames Gold Field have turned out to be surpassingly rich, and there is no doubt but the whole district will afford profitable employment for many years for a large population. The nature of the mining is such as to guarantee its permanency, and it will probably assume more the appearance of a settled industry than on any gold field as yet discovered in the world. One proof of this is that tents are becoming scarce, and substantial and comfortable cottages have been substituted for them. The miners as a body are cheerful and persevering, and there is much less crime and riotous conduct than generally obtains on alluvial fields. The total quantity of gold which paid duty at H.M. Customs, at Auckland, from the 1st August, 1867, to the 30th June, 1869, is 129,211 oz., of the value of £264,425; the duty paid on the same was £16,151 2s. 8d. It must, however, be remembered that it is only lately that extensive machinery has been brought into use, and what is at present erected is very inadequate for the requirements of the field. The result is that higher prices are paid per ton for crushing quartz than anywhere in the Australian Colonies; this prevents some claims from being remunerative which otherwise would yield fair returns.

Another cause of delay and expense in the production of gold is owing to the bad state of the roads and tracks by which the quartz has to be conveyed to the crushing machines. This is, however, in the course of amendment by the construction of tramways, which has been undertaken by the Provincial Government; though it is very questionable, if they had not monopolized this highly useful work, whether it would not have been better and sooner completed by private capital and enterprise.

But for the bounty of nature in providing this Province with such wonderful facilities for water carriage, and the consequent cheapness of the necessaries of life at the Thames Gold Field, there would have been much greater want and destitution among the mining population before there were means at hand for the extraction of gold from the quartz.

I would most respectfully urge on the Government, the necessity for carrying out in their integrity all the agreements entered into by the Natives for the leasing of their lands for gold-mining purposes, not only as an act of justice but also in their own interests, as whatever is the course pursued on the present gold field will be looked on as a precedent for the Upper Thames and other auriferous districts. I hope I may be pardoned for stating that in my opinion the leasing regulations issued by His Honor the Superintendent of Auckland are likely to cause considerable injustice to the Native owners of the gold field, as entailing a certain falling off in the miners' rights fees received, and a consequent diminution in the amount of rent payable to them by the Crown; unless a portion of the money paid for mining leases is awarded to them by the Provincial Government. I was aware of this and pointed it out to the Provincial Secretary at the time the leasing regulations were under consideration, and said that if a copy of these was furnished to me I would be happy to make suggestions. It was promised this should be done, but I only received a copy the evening previous to the publication of them in the local newspapers. This effectually precluded me from interfering in the matter. I however, subsequently wrote to the Hon. Dr. Pollen on the subject. It must not be supposed that I have the slightest feeling antagonistic to the granting of leases; on the contrary, I was one of the first who proposed that leases should be issued; but my opinion was and still is—

1. That the agreements with the Natives would require amendment, before it would be quite clear that these conferred on the Governor the power to lease lands for mining purposes.

2. That steps would have to be taken to prevent the Natives becoming losers by the diminution of miners' rights fees caused by the granting of leases, as the holders of such are not by the provisions of "The Gold Fields Act, 1866," necessarily obliged to take out miners' rights. (The Natives at the time of making the agreements asked who were liable to hold miners' rights, and they were informed, all