

R E P O R T,

TOGETHER WITH MINUTES OF PROCEEDINGS,

OF

THE GOLD FIELDS COMMITTEE.

BROUGHT UP 2ND NOVEMBER, 1871, AND ORDERED TO BE PRINTED.

WELLINGTON.

—
1871.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

- [No. 1.] WEDNESDAY, THE 16TH DAY OF AUGUST, 1871.
Ordered, That a Select Committee be appointed to consider all Bills and Petitions that may be introduced into this House affecting Gold Fields, upon the provisions and principles which any such Bills or Petitions may contain, with power to confer or sit together with any similar Committee which may be appointed by the Legislative Council, and to make a separate Report; and that such Committee consist of Mr. Bradshaw, Mr. Curtis, Mr. Gillies, the Hon. Mr. Hall, Mr. Haughton, Mr. Harrison, Mr. Macandrew, Mr. Mervyn, Mr. O'Neill, and the Hon. Mr. Vogel; five to be a quorum.
A true extract.
(On motion of Hon. Mr. McLean.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 2.] THURSDAY, THE 17TH DAY OF AUGUST, 1871.
Ordered, That the number of members of the Gold Fields Committee be extended to eleven; and that the name of Mr. Tribe be added.
A true extract.
(On motion of Mr. Harrison.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 3.] FRIDAY, THE 18TH DAY OF AUGUST, 1871.
Ordered, That the number of the Gold Fields Committee be extended to twelve, and that the name of Mr. T. L. Shepherd be added.
A true extract.
(On motion of Hon. Mr. Gisborne.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 4.] MONDAY, THE 24TH DAY OF AUGUST, 1871.
Resolved, That the petition of John Benfield Golland and others, miners and residents in the Kanieri Road Board District, County of Westland, with the Public Petitions Committee's Report thereon, be referred to the Joint Committee on Gold Fields Bills and Petitions.
A true extract.
(On motion of Mr. White.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 5.] FRIDAY, THE 25TH DAY OF AUGUST, 1871.
Ordered, That it be an instruction to the Gold Fields Committee to take into consideration Part III. of "The Immigration and Public Works Act, 1870," with a view to the amendment of the same.
A true extract.
(On motion of Mr. Harrison.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 6.] FRIDAY, THE 25TH DAY OF AUGUST, 1871.
Ordered, That the number of the Gold Fields Committee be extended to thirteen, and that the name of Mr. Creighton be added thereto.
A true extract.
(On motion of Mr. O'Neill.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 7.] TUESDAY, THE 29TH DAY OF AUGUST, 1871.
Ordered, That the petition of George M. Starkey and others, relative to Water Supply Vote, be referred to the Gold Fields Committee, in accordance with the recommendation contained in the Report of the Public Petitions Committee.
A true extract.
(On motion of Mr. Bradshaw.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 8.] WEDNESDAY, THE 30TH DAY OF AUGUST, 1871.
Ordered, That it be an instruction to the Gold Fields Committee to consider whether it is desirable that miners should be allowed to take out miners' rights for three, six, nine, or twelve months.
A true extract.
(On motion of Mr. Collins.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 9.] THURSDAY, THE 31ST DAY OF AUGUST, 1871.
Ordered, That the question whether the fees for miners' rights should be reduced to ten shillings for each miner's right be referred to the Gold Fields Committee to report thereon.
A true extract.
(On motion of Mr. O'Neill.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 10.] FRIDAY, THE 15TH DAY OF SEPTEMBER, 1871.
Ordered, That the number of the Gold Fields Committee be extended to fourteen; and that the name of Captain Kenny be added thereto.
A true extract.
(On motion of Mr. Mervyn.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 11.] FRIDAY, THE 29TH DAY OF SEPTEMBER, 1871.
Ordered, That "The Gold Fields Act Amendment Bill" be referred to the Gold Fields Committee.
A true extract.
F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 12.] WEDNESDAY, THE 4TH DAY OF OCTOBER, 1871.
Ordered, That Mr. Collins be added to the Gold Fields Committee.
A true extract.
(On motion of Mr. Haughton.) F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 13.] FRIDAY, THE 13TH DAY OF OCTOBER, 1871.
Ordered, That the Gold Mining Districts Bill be referred to the Gold Fields Committee. Also, That the Gold Mines Drainage Bill be referred to the Gold Fields Committee.
A true extract.
F. E. CAMPBELL, Clerk, House of Representatives.
- [No. 14.] FRIDAY, THE 13TH DAY OF OCTOBER, 1871.
Ordered, That the Report of the Otago Mining Commission be referred to the Gold Fields Committee.
A true extract.
(On motion of Mr. Haughton.) F. E. CAMPBELL, Clerk, House of Representatives.

REPORT OF THE GOLD FIELDS COMMITTEE.

THE Select Committee appointed to consider all Bills and Petitions relative to the Gold Fields desire to report as follows :—

That the various Bills, Petitions, and other matters referred to them have been dealt with in the ten Interim Reports presented at different dates to the House, and included in the Minutes of Proceedings appended hereto.

2nd November, 1871.

C. E. HAUGHTON,
Chairman.

PROCEEDINGS OF THE COMMITTEE.

THURSDAY, 24th AUGUST, 1871.

The Committee met pursuant to notice.

PRESENT :

Mr. Bradshaw,
Mr. Curtis,
Hon. Mr. Hall,
Mr. Harrison,
Mr. Macandrew,

Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

The orders of reference Nos. 1, 2, and 3, were read.

On the motion of Mr. Macandrew, Mr. Haughton was elected permanent Chairman.

The Chairman reported that the Goldfields Act Consolidation Bill, and other documents required by the Committee, were not at present available, in consequence of unavoidable delay at the printing office.

On the motion of Mr. Macandrew, it was resolved, That the Committee do not consider it desirable that they should sit with the Committee of the Legislative Council, but that they should request conferences as occasion may require.

On the motion of Mr. Mervyn, it was resolved, That the Chairman be requested to move the following resolution in the House :—“ That it be an instruction to the Gold Fields Committee to take into consideration Part III. of ‘The Public Works and Immigration Act, 1870,’ with a view to the amendment of the same.

Instructions were given for a copy of the first resolution to be forwarded for the information of the Gold Fields Committee of the Legislative Council.

The Committee adjourned.

TUESDAY, 29th AUGUST, 1871.

The Committee met pursuant to summons.

PRESENT :

Mr. Bradshaw,
Mr. Creighton,
Mr. Curtis,
Mr. Gillies,
Mr. Harrison,

Mr. Macandrew,
Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the chair.

The minutes of the last meeting were read and confirmed.

The orders of reference Nos. 4, 5, and 6, were read.

On the motion of Mr. Curtis, it was resolved, That the Standing Orders of the House, in reference to Committees of the whole, be observed in this Committee.

The Petition from J. B. Golland and others, miners and residents in the Kanieri Road Board District, County of Westland, praying that such amendments in the County of Westland Act may be made as will exempt mining claims and mining plants from assessment as rateable property, was read to the Committee.

The Committee proceeded to consider the petition. The sections of "The County of Westland Act, 1868," to which the memorialists referred were read. A discussion ensued. Further consideration of the question was adjourned until the next meeting of the Committee, and the Chairman was requested to ask Mr. White, the Member for Hokitika, to attend on that occasion.

On the motion of Mr. Curtis, it was resolved, That the Chairman be requested to summon the Committee for half-past 10 o'clock on every Thursday, and on such other days as the business before the Committee shall render necessary.

The Committee adjourned.

THURSDAY, 31ST AUGUST, 1871.

The Committee met pursuant to summons.

PRESENT :

Mr. Bradshaw,
Mr. Collins,
Mr. Creighton,
Mr. Curtis,
Mr. Gillies,
Mr. Harrison,

Mr. Macandrew,
Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the chair.

The minutes of the last meeting were read and confirmed.

The Committee resumed the consideration of the Petition from Miners and Residents in the Kanieri District, County of Westland.

Mr. White, the Member for Hokitika, being in attendance, was examined, and gave the following evidence :—

1. *Mr. Harrison.*] Do you know if this petition emanated from the large mining companies of the district?—The petition emanated from the miners and others, as set forth in the petition. I know that it was signed by most of the miners and storekeepers in the district.

2. Do you know if there had been any intention on the part of the Kanieri Road Board to levy a rate on mining claims and plant?—It was not their intention. The Kanieri Road Board, when striking the rate, especially exempted mining claims and plant from rating.

3. Can any rate be levied in a Road Board District in the County of Westland without the sanction of the County Chairman?—No. *Vide* the 93rd section of "County of Westland Act, 1868."

4. Did the County Chairman object to the exemption proposed by the Kanieri Road Board?—I believe he did, and on that ground refused to sanction the rate.

5. Have you any reason to know that, on account of the refusal by the Chairman, the Road Board intended to withdraw the exemption?—I do not know. I have not heard anything to that effect. I do not believe that that was the case.

6. *Mr. Creighton.*] What do you consider the petitioners would include in the term "mining plant"?—I presume all the machinery, implements, and tools used by the miners in their avocations, such as water races, head races, tail races, windlasses, picks, shovels, &c.

7. *Mr. Mervyn.*] Do you think it possible to assess mining claims upon any equitable basis?—I think it absolutely impossible.

8. *Mr. Harrison.*] Is it not a fact that mining in the Kanieri District is almost entirely confined to large companies?—I do not think so. I think that mining in that district is principally in the hands of small parties.

9. *Mr. Tribe.*] By whom are the roads in the Kanieri District principally used?—By the residents generally—settlers, miners, and storekeepers.

10. Are you aware of any Road Boards in the County of Westland having rated mining claims?—I am not aware of any.

Mr. White then made a statement to the effect that in the Kanieri District there is a Mining Conference, elected by miners. As soon as the decision of the County Chairman with regard to the exemption from rates was known, a strong feeling was created in the district, and the petition now in question was got up. The miners had no objection to ordinary rates being levied upon their huts, most of which had been assessed at £7 per annum, but they protested against their claims and plant being taxed.

Mr. White was thanked for his attendance, and withdrew.

A discussion ensued.

Mr. Mervyn moved the following resolution :—That, in the opinion of the Committee, “The County of Westland Act, 1868,” should be so amended as to prevent mining claims, machinery, and water races being rated for local purposes.

Mr. Curtis moved, as an amendment, To leave out all the words after “That,” with the view of inserting the following :—“in the opinion of this Committee, it is not desirable that rates for the repair of roads should be levied in gold mining districts, for the following reasons :—1st. That it is impossible, owing to the uncertainty attending all gold mining operations, to make a fair assessment of gold mining claims or gold mining plants. 2nd. That as in gold mining districts the roads are chiefly for the use and benefit of the occupiers of mining claims and leases, it would be unjust to levy the rates exclusively upon the owners and occupiers of other property, when they form a small minority of the residents.”

The amendment was negatived.

Mr. Creighton then moved the following amendment :—To leave out all the words after “That,” with the view of inserting the following :—“the Committee, having examined Mr. White, Member for Hokitika, and considered the allegation in the Petition from 658 Residents in the Kanieri Road Board District, are of opinion that the object of the petitioners would be gained were ‘The County of Westland Act, 1868,’ amended by withdrawing from the Chairman of the Westland Council the power to veto any local rate made in accordance with the aforesaid Act.”

The amendment was negatived.

Mr. Macandrew then moved the following amendment, To leave out all the words after “That” with a view of inserting the following :—“the Committee having fully considered the whole question involved in the Petition from the Residents of the Kanieri District, is of opinion that it is inexpedient to interfere with the law as it stands.”

And this amendment having been put, the Committee divided, and the names were taken down as follows :—

<p style="text-align: center;"><i>Ayes, 4.</i></p> <p>Mr. Collins, Mr. Harrison, Mr. Macandrew, Mr. Tribe.</p>		<p style="text-align: center;"><i>Noes, 6.</i></p> <p>Mr. Bradshaw, Mr. Creighton, Mr. Curtis, Mr. Mervyn, Mr. O’Neill, Mr. T. L. Shepherd.</p>
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So it passed in the negative.

The original resolution was then put, and a division having been called for, the names were taken down as follows :—

<p style="text-align: center;"><i>Ayes, 4.</i></p> <p>Mr. Bradshaw, Mr. Mervyn, Mr. O’Neill, Mr. T. L. Shepherd.</p>		<p style="text-align: center;"><i>Noes, 5.</i></p> <p>Mr. Creighton, Mr. Curtis, Mr. Harrison, Mr. Macandrew, Mr. Tribe.</p>
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So it passed in the negative.

On the motion of Mr. Creighton, it was resolved, That the Chairman be requested to report the evidence to the House, and inform it that the Committee have no recommendation to make in the Petition from certain Settlers in the Kanieri Road Board District, in the County of Westland.

The order of reference No. 7 (*in re* Petition of George M. Starkey and others relative to the Water Supply Vote), was read, and ordered to be considered at the next meeting.

The Committee adjourned until Monday, 4th September.

MONDAY, 4TH SEPTEMBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

<p>Mr. Creighton, Mr. Gillies, Mr. Harrison,</p>		<p>Mr. O’Neill, Mr. Macandrew.</p>
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Mr. Haughton in the chair.

The minutes of the last meeting were read and confirmed.

The Chairman informed the Committee that he had submitted an Interim Report (No. 1) to the House on the Petition of certain Residents in the Kanieri Road Board District, County of Westland. *Vide Appendix, Interim Report No. 1.*

On the motion of Mr. Creighton, it was ordered that a copy of the Report be attached to the proceedings.

The orders of reference Nos. 8 and 9 were read.

The Petition of George M. Starkey and others, residents in the Nevis District, relative to the Water Supply Vote, was read and taken into consideration.

On the motion of Mr. O'Neill, it was resolved, That the consideration of the petition from Nevis stand over until the Committee have come to some conclusion upon the general subject of Part III. of "The Immigration and Public Works Act, 1870."

On the motion of Mr. Macandrew, it was resolved, That the Government be requested to furnish the Committee with copies of all correspondence now in its hands on the subject of Water Supply on the Gold Fields.

The order of reference No. 8 was taken into consideration; and on the motion of Mr. Gillies, it was resolved, That this Committee is of opinion that miners rights should not be issued for a period of less than twelve months.

The order of reference No. 9 was taken into consideration; and on the motion of Mr. Gillies, it was proposed, That it is not expedient to reduce the miners' rights fees from £1 to 10s.

And the question having been put, the Committee divided, and the names were taken down as follows :—

Ayes, 4.

Mr. Creighton,
Mr. Gillies,
Mr. Harrison,
Mr. Macandrew.

Noes, 1.

Mr. O'Neill.

So it was resolved in the affirmative.

The Committee adjourned until Thursday, the 7th instant.

THURSDAY, 7TH SEPTEMBER, 1871.

The number of members present not being sufficient to form a quorum, the meeting lapsed, and the Committee stood adjourned until Thursday, the 14th September.

THURSDAY, 14TH SEPTEMBER, 1871.

The Committee met pursuant to summons.

PRESENT :

Mr. Bradshaw,
Mr. Curtis,
Mr. Gillies,
Mr. Harrison,

Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

*Vide Appendix,
Interim Report
No. 2.*

The Chairman informed the Committee that he had submitted to the House Interim Report No. 2, embodying the resolutions passed at the last meeting, and it was ordered that a copy of the Report be attached to the proceedings.

The Chairman laid before the Committee correspondence which he had received from the Government on the subject of water supply to the gold fields.

Portions of the correspondence were read.

On the motion of Mr. Harrison it was proposed, That the Committee is of opinion that, except in special cases, it is not expedient that the Government should itself undertake the construction and management of works for water supply upon the gold fields.

A discussion ensued, and various papers bearing on the subject were read and considered; and the motion having been put, the Committee divided, and the names were taken down as follows :—

Ayes, 4.

Mr. Curtis,
Mr. Gillies,
Mr. Harrison,
Mr. Mervyn.

Noes, 2.

Mr. Bradshaw,
Mr. O'Neill.

So it was resolved in the affirmative.

(*Mr. Tribe and Mr. Shepherd had left the Committee Room before the division was taken.*)

On the motion of Mr. Harrison it was resolved, That the amount devoted to the construction of works for water supply on the gold fields by "The Public Works and Immigration Act, 1870," would be more effectively and advantageously expended in association with private enterprise by advances of one-third of the capital necessary for works carefully considered and approved by the Board of Works,—care being taken to protect the public from excessive charges

or monopolies, and to secure the payment of interest and the repayment of the principal advanced.

The Committee adjourned until to-morrow.

FRIDAY, 15TH SEPTEMBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

Mr. Bradshaw,
Mr. Curtis,
Mr. Harrison,

Mr. Macandrew,
Mr. Mervyn,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

The Chairman laid before the Committee a Petition from 423 Gold Miners of Otago, praying for a remission of the duty on gold ; also, one from 227 Miners at Waitahuna to the same effect ; and on the motion of Mr. Harrison it was resolved, That with reference to the petition from Gold Miners of Otago, and Miners at Waitahuna, the Committee do not think it would serve any practical purpose to make any recommendation on the subject, as the question of the reduction of the gold duty has been decided by the House.

The Chairman read to the Committee a Petition from 247 Miners in the Dunstan District, praying that certain rights now in force in respect to the use of two sluice-heads of water for general purposes may not be interfered with. The Committee decided to take no action in this question until the proposed Gold Fields Bill, 1871, was before them.

The Petition from Residents in the Nevis District, which had been laid before the Committee at a previous meeting was now considered ; and on the motion of Mr. Macandrew it was proposed, That, in the opinion of the Committee, it is expedient that a portion of the loan for water supply on the gold fields should be applicable for purposes other than the supply of water, having for their object the permanency and development of the gold fields. Further, that the amount of £300,000 is too small for gold field purposes, and that at least half a million should be devoted thereto.

A discussion ensued ; and the question having been put, the Committee divided, and the names were taken down as follows :—

Ayes, 3.

Mr. Bradshaw,
Mr. Macandrew,
Mr. Mervyn.

Noes, 3.

Mr. Curtis,
Mr. Harrison,
Mr. Tribe.

And the numbers being equal, the Chairman voted in exercise of the authority given to him by Standing Order No. 194, giving his vote with the "Ayes." So it was resolved in the affirmative.

The Chairman was requested to bring up Interim Reports embodying the resolutions Nos. 12, 13, and 14 ; and also to inform the Gold Fields Committee of the Legislative Council of such of the proceedings of this Committee as he may deem desirable.

On the motion of Mr. Harrison, it was resolved, That a Sub-Committee, consisting of Messrs. Haughton, Curtis, and Harrison, be appointed to prepare draft regulations relating to the advance of loans to Water Race Companies, as recommended in resolution No. 12 ; such Sub-Committee to report on Thursday next.

The Committee adjourned.

WEDNESDAY, 4TH OCTOBER, 1871.

The Committee met pursuant to summons.

PRESENT :

Mr. Bradshaw,
Captain Kenny,
Mr. Mervyn,

Mr. O'Neill,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

Orders of reference Nos. 10 and 11 were read.

The Chairman informed the Committee that Interim Reports Nos. 3, 4, and 5 had been presented to the House, and that action was now pending on Nos. 4 and 5 ; also, that in accordance with the request of the Committee he had communicated resolutions Nos. 9, 10, 11, 12, 13, and 14, to the Chairman of the Gold Fields Committee of the Legislative Council. *Vide Appendix, Interim Report Nos. 3, 4, and 5.*

It was ordered that the Interim Reports to the House be attached to the proceedings.

The Chairman laid before the Committee certain documents he had received from the Government, comprising communications from the District Judge of Otago and the various Gold Field Wardens upon the subject of the amendment of existing Gold Fields Acts.

The Chairman read to the Committee a Petition from 267 Miners and Residents in the Mount Ida District of the Otago Gold Fields, praying that a portion of the loan for water supply should be allocated to such other purposes than the supply of water as to a majority of the miners and residents in a gold fields district may appear most useful and expedient.

*Vide Appendix,
Interim Report
No. 6.*

On the motion of Mr. Bradshaw, it was resolved, That the Chairman be requested to report to the House that the Committee made a recommendation on the subject of this petition in their Interim Report No. 4.

The proposed Gold Fields Bill, 1871, was then brought before the Committee by the Chairman, but consideration of the clauses was postponed until the next meeting.

The Committee adjourned until to-morrow.

THURSDAY, 5TH OCTOBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

Mr. Bradshaw,
Captain Kenny,
Mr. Macandrew,

Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd.

Mr. Haughton in the Chair.

The Chairman read order of reference No. 12.

Moved by Mr. Macandrew, That the Chairman be requested to communicate with the Chairman of the Waste Lands Committee, with a view of arranging that the time of meeting of the respective Committees be so regulated that they shall not interfere with each other.

Agreed to.

Moved by Mr. Bradshaw, That the Chairman place himself in communication with the Chairman of the Legislative Council Committee, with the view of making arrangements as to the best course to be pursued in considering the various Bills to be submitted to the Committees.

Agreed to.

The Committee adjourned.

THURSDAY, 12TH OCTOBER, 1871.

The Committee met pursuant to notice.

PRESENT :

Mr. Bradshaw,
Mr. Creighton,
Mr. Curtis,
Captain Kenny,
Mr. Macandrew,

Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the preceding meeting were read and confirmed.

The Committee proceeded to consider the Gold Fields Bill.

A discussion ensued as to whether it was advisable to proceed with the Bill during the present Session.

Mr. Curtis moved, That it is not desirable that the Gold Fields Bill should be proceeded with this Session, but that the Mining Districts Bill and the Mines Drainage Bill should be carried through the Legislature, and their operation tested before the more comprehensive measure now standing referred to this Committee is submitted to the House; and that the Bills indicated present an excellent model as regards simplicity in drafting, and which may well be followed in the compilation of the General Gold Fields Bill to be brought down next Session; and that such Bill should be circulated at least three months before the next meeting of Parliament.

A division ensued.

Ayes, 8.

Mr. Creighton,
Mr. Curtis,
Captain Kenny,
Mr. Macandrew,
Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Noes, 1.

Mr. Bradshaw.

The motion was accordingly carried.

Mr. Shepherd moved, That the Chairman be requested to ask the permission of the House to consider the Report of the Otago Mining Commission, with the view of recommending what portion thereof shall be incorporated in the new Gold Fields Act.

Agreed to.

The Chairman was requested to present to the House an Interim Report (No. 6) embodying the above resolutions.
The Committee then adjourned.

THURSDAY, 17TH OCTOBER, 1871.

The Committee met pursuant to notice.

PRESENT :

Mr. Bradshaw,
Mr. Collins,
Mr. Gillies,
Mr. Macandrew,

Mr. Mervyn,
Mr. O'Neill,
Mr. Shepherd,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the previous meeting were read and confirmed.

The Chairman reported that, in accordance with the resolution passed at the last meeting, he had presented Interim Report No. 6 to the House.

The Committee proceeded to consider the Gold Mines Drainage Bill, and passed it without any alteration.

The Gold Mining Districts Bill was then considered.

Clauses 1 and 2 agreed to.

Clause 3 postponed.

In clause 4, insert after "Proclamation" in the second line, "in the General Government Gazette."

Clause 5 agreed to.

In clause 6, substitute for side note "Governor may abolish Gold Mining Districts."

Clauses 7 to 9 agreed to.

With a view to enable members of Committee to peruse carefully the whole Bill, it was resolved, on motion of Mr. Macandrew, that its further consideration be postponed until to-morrow.

The Chairman was requested to report to the House that this Committee has carefully considered the Gold Mines Drainage Bill referred to them, and recommend that it be passed without amendment.

The Committee was adjourned until to-morrow at 10.30 o'clock.

WEDNESDAY, 18TH OCTOBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

Mr. Bradshaw,
Mr. Creighton,
Mr. Collins,
Mr. Gillies,
Mr. Macandrew,

Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

The Chairman reported that he had presented Interim Report No. 7 to the House.

The Committee then proceeded with the consideration of the Gold Mining Districts Bill.

Clause 10 agreed to.

In clause 11, strike out the word "shall" and substitute "may" in the first line, and strike out "only" in same line.

Clause 12 agreed to.

In clause 13 substitute "Receiver of Revenue" for "Warden" in the first line.

In clause 14, strike out "newspaper" in the second line and insert "in one or more newspapers published in the district" after "advertisement."

Clauses 15 to 19 agreed to.

On motion of Mr. Bradshaw, *Resolved*, That a new clause be inserted between 19 and 20, providing that no claim or licensed holding granted under this Act shall exceed thirty acres.

Clauses 20 to 22 agreed to.

Clause 23. Proposed by Mr. Creighton, That clause 23 be amended with the view of preventing mining on private lands within Gold Fields without the consent of the owner or lessee, and compensation first paid.

A division ensued.

Ayes, 2.
Mr. Creighton,
Mr. Collins.

Noes, 5.
Mr. Bradshaw,
Mr. Gillies,
Mr. Mervyn,
Mr. O'Neill,
Mr. Tribe.

Amendment accordingly negatived.
 Clause 23 put. Division ensued.

Ayes, 5.
 Mr. Bradshaw,
 Mr. Gillies,
 Mr. Mervyn,
 Mr. O'Neill,
 Mr. Tribe.

Noes, 2.
 Mr. Creighton,
 Mr. Collins.

Clause agreed to.

A discussion ensued on clause 24. Moved by Mr. Mervyn, That, in the opinion of this Committee, it is desirable that the value of all land or improvements thereon, which are taken for mining, be settled by arbitration.

A division ensued.

Ayes, 6.
 Mr. Bradshaw,
 Mr. Collins,
 Mr. Creighton,
 Mr. Mervyn,
 Mr. O'Neill,
 Mr. Tribe.

Noes, 1.
 Mr. Gillies.

Amendment agreed to.

Further consideration of clause was postponed.

Clause 25 agreed to.

Clause 26, subsection (3), strike out "when from any cause" in line 6, and substitute "if in the opinion of the Warden."

Clause 27, insert at end "such notice to be advertised twice in one or more papers published in the district."

Clauses 28 to 102 agreed to.

In clause 103, strike out "and business licenses" in the first line, and "respectively" in the second line.

Clauses 104 to 106 agreed to.

In clause 107 strike out "Gold" in third line.

Clauses 108 to 115 agreed to.

Schedule agreed to.

Mr. Bradshaw gave notice of motion for next meeting, That it is desirable that the system of delegation of powers by His Excellency the Governor under the Gold Fields Acts be discontinued, and that the Gold Fields be administered by a Responsible Minister of the Colony acting through agents to be appointed within Provinces.

Mr. Bradshaw gave notice of motion for next meeting, That a new clause be introduced providing that Regulations made under the Gold Fields Act be laid before the General Assembly.

On motion of Mr Creighton, *Resolved*, That this Committee is of opinion that the professional costs allowed in the Wardens' Courts are excessive, and request the Chairman to direct the attention of the Government to the subject with a view to their reduction.

The further consideration of the Bill was postponed until to-morrow.

The Committee then adjourned.

THURSDAY, 19TH OCTOBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

Mr. Bradshaw,
 Mr. Creighton,
 Mr. Curtis,
 Mr. Gillies,

Captain Kenny,
 Mr. Mervyn,
 Mr. O'Neill.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

On motion of Mr. Gillies, *Resolved*, That the following new clause, 19a, be introduced in the Bill, in accordance with the resolution passed yesterday :—

19a. No claim or licensed holding taken up and held under this Act shall exceed thirty acres.

Clause 24 reconsidered. On motion of Mr. Gillies, the following amendments were agreed to :—Strike out the words "by the Warden's Court and" in the third line, and substitute the words "by arbitration, provided that the parties can agree on the terms of such arbitration, and if not, said compensation shall be fixed by a suit in the ordinary form in the District Court;" and substitute for the word "Court" in the last line, "arbitrators or Court, as the case may be."

New clause proposed by Mr. Bradshaw :—

Every rule and regulation made under this Act shall be laid before both Houses of the General Assembly within twenty-eight days from the issuing thereof if the General Assembly be then in Session, and if not then within fourteen days after the commencement of the next Session thereof. And no such rule and regulation made under the authority of the delegation of the powers of the Governor, or Governor in Council, to any Superintendent or Executive Government of any Province, or to the Chairman of the County of Westland, or to any other person, shall become or have the effect of law until the same shall have been certified to by Her Majesty's Attorney-General and approved by the Governor in Council, and every such rule and regulation shall be published in the *New Zealand Gazette*, and in the *Government Gazette* of the Province in which such rule and regulation shall be intended to have force and effect.

Amendment proposed by Mr. Curtis, To leave out the following words :—

“Made under the authority of the delegation of the powers of the Governor or Governor in Council to any Superintendent or Executive Government of any Province, or to the Chairman of the County of Westland, or to any other person.”

Carried.

Further amendment proposed by Mr. Curtis, To leave out the words “certified to by Her Majesty's Attorney-General and.”

A division ensued.

Ayes, 4.
Mr. Creighton,
Mr. Curtis,
Mr. Gillies,
Captain Kenny.

Noes, 3.
Mr. Bradshaw,
Mr. Mervyn,
Mr. O'Neill.

Amendment accordingly carried.

Question put, That clause as amended do stand part of the Bill.

Carried.

Upon motion of Mr. Gillies, clause 103 was further amended :—

Insert the words “and business licenses” in first line, and “respectively” in second line; and insert after “twelve” in third line the words “six or three,” and at the end of the clause “as the case may be.”

The consideration of clause 3 was then proceeded with.

Resolved, That the words “‘Gold Mining District’ shall mean a Gold Mining District constituted under this Act” be struck out, and that the words “and Gold Mining District” be inserted after “Act” in page 16, line .

Clause as amended agreed to.

Moved by Mr. O'Neill, That the clauses referring to the establishment of Mining Boards, as in Act of 1866, be inserted in the Gold Mining Districts Bill.

A division ensued.

Ayes, 3.
Mr. Bradshaw,
Mr. Mervyn,
Mr. O'Neill.

Noes, 4.
Mr. Creighton,
Mr. Curtis,
Mr. Gillies,
Captain Kenny.

Motion negatived.

Moved by Mr. Bradshaw, That it is desirable that the system of delegation of powers by His Excellency the Governor under the Gold Fields Acts be discontinued.

A division ensued.

Ayes, 6.
Mr. Bradshaw,
Mr. Creighton,
Mr. Gillies,
Captain Kenny,
Mr. Mervyn,
Mr. O'Neill.

Noes, 1.
Mr. Curtis.

The motion was accordingly carried.

Mr. Creighton moved, That the Bill as amended be forthwith reported to the House.

Agreed to.

Moved by Mr. Gillies, That the Committee, having considered the Report of the Otago Mining Commission referred to it by the House, recommend the suggestions therein contained to the consideration of the Government in the preparation of any new Gold Fields Act.

Mr. Creighton moved that the resolutions arrived at by the Committee be reported to the House. (*Vide Reports*.)

The Committee then adjourned.

REPORT OF GOLD FIELDS COMMITTEE

TUESDAY, 31ST OCTOBER, 1871.

The Committee met pursuant to summons.

PRESENT :

Mr. Harrison,
Captain Kenny,
Mr. O'Neill,Mr. Macandrew,
Mr. Mervyn,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

The Chairman brought up the following report of the Sub-Committee appointed 15th September, 1871, to consider and prepare draft regulations relative to the advance of loans for purposes of water supply upon the Gold Fields.

“The Sub-Committee desire to report that they have prepared the annexed draft regulations, which they submit to the consideration of the Committee.”

The Committee proceeded to consider the proposed regulations, and, after discussion it was resolved, on the motion of Mr. Macandrew, That the regulations prepared by the Sub-Committee be adopted, and that the Chairman be requested forward them to the Minister for Public Works for the information of the Government.

The question of the final report to be presented to the House was then discussed; various suggestions and recommendations were offered, and on the motion of Mr. Macandrew, it was resolved, That the Chairman be requested to prepare a draft report for submission to the Committee.

The Committee adjourned until Thursday next.

THURSDAY, 2ND NOVEMBER, 1871.

The Committee met pursuant to adjournment.

PRESENT :

Mr. Bradshaw,
Mr. Collins,
Mr. Creighton,
Mr. Curtis,
Captain Kenny,Mr. Mervyn,
Mr. O'Neill,
Mr. T. L. Shepherd,
Mr. Tribe.

Mr. Haughton in the Chair.

The minutes of the last meeting were read and confirmed.

A resolution passed by the Committee on the 19th October was read and reconsidered.

On the motion of Mr. Shepherd, it was proposed, That the resolution carried on the 19th October, recommending that the delegated powers under the Gold Fields Acts to the Superintendents by the Governor be withdrawn, be rescinded.

And the Question having been put, the Committee divided, and the names were taken down as follows :—

*Ayes, 3.*Mr. Curtis,
Mr. Macandrew,
Mr. T. L. Shepherd.*Noes, 7.*Mr. Bradshaw,
Mr. Collins,
Mr. Creighton,
Captain Kenny,
Mr. Mervyn,
Mr. O'Neill,
Mr. Tribe.

So it passed in the Negative.

The Chairman read a draft Report which was approved by the Committee, and the Chairman was requested to present the same to the House.

The Committee then adjourned.

C. E. HAUGHTON,
Chairman.

APPENDICES.

INTERIM REPORT No. I.

THE Petition of certain Miners and Residents in the Kanieri Road Board District, County of Westland, praying that the House will make such amendments in the County of Westland Act as will exempt mining claims and mining plant from assessment as rateable property, having been referred to your Committee, they desire to report as follows :—

That they have no recommendation to make in the matter of the said petition, but append, for the information of the House, the evidence of the honorable Member for Hokitika, who presented the petition.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. II.

THE consideration of the questions of the reduction of the fees for miners' rights from one pound to ten shillings, and of the issue of miners' rights for three, six, and nine months, having been referred to your Committee, they desire to report that they have agreed to the following Resolutions:—

1. That it is not expedient to reduce the miners' rights fee from one pound to ten shillings.
2. That this Committee is of opinion that miners' rights should not be issued for a period of less than twelve months.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. III.

THE Petition from 423 Gold Miners of Otago, praying for a remission or reduction of the duty on gold, also a Petition from 227 Miners at Waitahuna to the same effect, having been referred to your Committee, they desire to report that they have agreed to the following Resolutions:—

That with reference to the Petition from Gold Miners of Otago, and Miners at Waitahuna, this Committee does not think it would serve any practical purpose to make any recommendation on the subject, as the question of the reduction of the gold duty has been decided by the House.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. IV.

THE Petition of George M. Starkey and others, residents in the Nevis District, relative to the Water Supply Vote, having been referred to your Committee, they desire to report that they have adopted the following Resolutions:—

That in the opinion of the Committee it is expedient that a portion of the Loan for Water Supply on the Gold Fields should be applicable for purposes other than the supply of water, having for their object the permanency and development of the Gold Fields.

Further, That the amount of £300,000 is too small for Gold Field purposes, and that at least half a million should be devoted thereto.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. V.

THE question of the amendment of Part III. of "The Public Works and Immigration Act, 1870," having been referred to your Committee, they desire to report that they have adopted the following Resolutions:—

1. That this Committee is of opinion that, except in special cases, it is not expedient that the Government should itself undertake the construction and management of works for Water Supply on the Gold Fields.

2. That the amount devoted to the construction of works for Water Supply on the Gold Fields by "The Public Works and Immigration Act, 1870," would be more effectually and advantageously expended in association with private enterprise by advances of one-third of the capital necessary for works carefully considered and approved by the Board of Works, care being taken to protect the public from excessive charges or monopolies, and to secure the payment of interest, and the repayment of the principal advanced.

3. That in the opinion of the Committee it is expedient that a portion of the Loan for Water Supply on the Gold Fields should be applicable for purposes other than the supply of water, having for their object the permanency and development of the Gold Fields.

Further, That the amount of £300,000 is too small for Gold Fields purposes, and that at least half a million should be devoted thereto.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. VI.

YOUR Committee desire to report that they have adopted the following Resolutions:—

That it is not desirable that the Gold Fields Bill should be proceeded with this Session; but that the Mining Districts Bill and the Mines Drainage Bill should be carried through the Legislature, and their operation tested, before the more comprehensive measure now standing

referred to this Committee is submitted to the House. And that the Bills indicated present an excellent model as regard simplicity in drafting, which may well be followed in the compilation of the general Gold Fields Bill to be brought down next Session; and that such Bill should be circulated at least three months before the next meeting of Parliament.

That the Chairman be requested to ask the permission of the House to consider the Report of the Otago Mining Commission, 13th October, 1871, with the view of recommending what portion thereof shall be incorporated in the new Gold Fields Act.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. VII.

THE Select Committee on Gold Fields, to whom was referred the Gold Mines Drainage Bill, have the honor to report that they have examined the Bill, and do recommend that it be passed without amendment.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. VIII.

THE Select Committee on Gold Fields, to whom was referred the Gold Mining Districts Bill, have the honor to report that they have examined the Bill, and do recommend that it may be passed with the alterations, elisions, and amendments shown in the copy of the Bill annexed to this Report.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. IX.

YOUR Committee desire to report that they have adopted the following Resolutions:—

1. That it is desirable that the system of delegation of powers by His Excellency the Governor under the Gold Fields Acts should be discontinued.

2. That, having considered the Report of the Otago Mining Commission, 1871, the Committee recommend the suggestions therein contained to the consideration of the Government in the preparation of any new Gold Fields Act.

19th October, 1871.

C. E. HAUGHTON,
Chairman.

INTERIM REPORT No. X.

YOUR Committee desire to report that they have adopted the following Resolution:—

That this Committee is of opinion that the professional costs allowed in the Wardens' Courts are excessive, and requests the Chairman to direct the attention of the Government to the subject, with a view to their reduction.

C. E. HAUGHTON,
Chairman.

REPORT OF SUB-COMMITTEE ON LOANS FOR PURPOSES OF WATER SUPPLY ON GOLD FIELDS.
THE Sub-Committee desire to report that they have prepared the annexed draft Regulations, which they submit to the consideration of the Committee.

October 31, 1871.

W. H. HARRISON,
OSWALD CURTIS,
C. E. HAUGHTON.

Draft Regulations.

1. The Governor from time to time shall appoint Commissioners,* and such appointments may from time to time alter or revoke; and before any enterprise is brought within the provisions of the Act, it shall be referred to a Commissioner for his report.

* The word "Commissioner" is used simply to indicate an officer to be appointed by the Government for the purpose of making the inquiries necessary before money should be issued. As such an office requires special local and technical knowledge and experience, and the utmost care and circumspection, it will be necessary to appoint officers specially. Probably it would only be necessary to appoint one for the Province of Otago, one for the West Coast Gold Fields (Nelson and Westland), and one for the Auckland Field, with each of whom should be associated an Engineer (to be called the Inspecting Engineer). In Westland there is already an Engineer appointed by the Government, who would also act as Inspecting Engineer under the Regulations.

It will be seen that by insisting upon a deposit of £50 for each application, and by charging 8 per cent. per annum on the money advanced by Government, there will be ample funds to defray the entire cost of administration.

We are decidedly of opinion that the "Board of Works" will not be competent to deal with the Water Supply question.

2. The proprietor of every enterprise for which the benefits of the Act are sought shall make application in writing to the nearest Commissioner, and such application shall state :—

- (1.) The names and descriptions of the projectors, or if they be a Joint Stock Company, then the registered particulars thereof.
- (2.) The names of the Engineer and Manager of the enterprise.
- (3.) The general description of the water race or races, dams, reservoirs, or other works proposed to be constructed; the quantity of water intended to be conveyed or stored, the length of the race or races, size of reservoirs or dams, the maximum rate proposed to be charged for the water, the nature and extent of the auriferous ground proposed to be supplied with water.
- (4.) The estimated cost of the enterprise.
- (5.) Its proposed capital.
- (6.) The interests, if any, affected by the diversion or storage of the water to be dealt with, together with such other matters as the Minister may from time to time order.
- (7.) The amount of money proposed to be borrowed.

3. Along with their application the projectors shall deposit with the Commissioners the sum of £50.*

4. On receipt of any application the Commissioner shall make full and careful inquiry into the same, and shall also instruct the Inspecting Engineer to examine the site of the proposed race, dam, or reservoir; the plans or specifications, if any, of the proposed work, and make an estimate of the probable cost of construction, for the information of the Commissioner.

5. The Commissioner shall, as soon as convenient, report to the Minister for Public Works upon the application, and such report shall state his opinion as to—

- (1.) The *bonâ fides* of the enterprise.
- (2.) Its feasibility.
- (3.) The correctness of the estimate of the quantity of water to be rendered available thereby.
- (4.) The correctness of the estimate of cost.
- (5.) The probable effect of the work on other interests concerned in the sources of water to be dealt with.
- (6.) The safety or otherwise of the works proposed as affecting life and property in the neighbourhood.
- (7.) The extent of auriferous ground which the proposed work will command and render payable; together with such other matters as the Minister may require him to report.

6. Each application shall, before being referred to the Minister, be published in the *Gazette*, and advertised twice or more in at least one newspaper circulating in or near the place to which such application refers.†

7. The Commissioner, before reporting, may require of the projectors all such specifications and information as he may think necessary in any application.

8. If the report of the Commissioner be favourable, but not otherwise, and subject to the limitations and conditions hereinafter contained, the Minister may, if he thinks fit, order that the benefits of the Act may be extended to any such enterprise to the extent applied for: Provided that, if the report shall recommend alterations in any particular of such enterprise, the Minister may refer the application back to the projectors for amendment, and the report of the Commissioner, after such amendment, shall have the authority of an original report.

9. The proportion of the cost of any work to which the benefits of the Act shall be extended, to be advanced or loaned by the Government, shall not in any case exceed‡ one-third of the actual§ cost of construction.

10. Not more than fifteen thousand pounds|| shall be advanced to any one enterprise.

11. Immediately after any application shall have been finally decided, the deposit thereon shall be repaid, except so much as may be retained under authority of any order made by the Minister for covering the cost of the Commissioner's inquiry and report.

12. No loan shall issue to any enterprise unless the projectors shall have complied with all the provisions and requirements of "The Gold Fields Act, 1866," and of any other law or regulation for the time being in force within the Gold Fields with respect to the initiation of such enterprise.

13. Every enterprise which is brought under the benefits of the Act shall be carried out in conformity with the particulars contained in the application to the Commissioner; and the

* This deposit will be sufficient, no doubt, to defray the cost of inquiry in each case, and will prevent idle or speculative applications, whilst it will not deter *bonâ fide* applications; or, in lieu of a fixed deposit of £50, a small percentage upon amount proposed to be borrowed.

† The effect of this is to enable persons whose interests may be jeopardized by the proposed enterprise to lodge objections, which, of course, would be inquired into and reported to the Minister.

‡ It may possibly be found advisable to extend the proportion to one-half in certain cases.

§ This is a most important necessity, as it will prevent fraud or reckless official expenditure, and will guarantee to a large extent the validity of the security proposed to be taken by the Government.

|| It will be necessary to fix a limit, or else it might be found that the whole of the loan for water supply would be locked up in a few large undertakings. Mr. O'Neill considers the limit should be £25,000.

Inspecting Engineer shall have access at all times to the works ; and if the Commissioners shall be satisfied at any time that the provisions of this regulation are not complied with, he may cause notice to be given to the projectors of such enterprise, or their engineer or manager, requiring them to conform to such particulars and specifications ; and if they shall refuse or neglect for one calendar month after such notice to comply therewith, then the Minister may cause the assent to the application for a loan in respect of such enterprise to be cancelled, and any moneys advanced under the same to be recovered in a summary way : Provided that the Minister may, if he think fit, agree during the progress of any enterprise to such modifications as the Commissioner may approve and recommend and the projectors may desire.

14. The projectors of any enterprise may at any time remove the same from the operation of these regulations, by writing under their hands, or under the hand of their registered manager, addressed to the Minister of Public Works, and on payment of the moneys that may have been advanced by the Government to such enterprise.

15. A full and correct account of the cost of construction of any enterprise to which the benefits of the Act are extended, shall be kept at the office of the projectors, and shall be open at all reasonable hours to the inspection of the Commissioner or any person deputed by the Minister, and a statement of all payments on such accounts shall be forwarded at such periods and intervals as the projectors and Commissioner may agree upon before the application for an advance of money on loan has been assented to.

16. Upon receipt of such statement the Commissioner shall instruct the Inspecting Engineer to examine the same and inspect the work constructed, and if it shall appear to him that such statement is fair and reasonable he shall certify to the same.

17. Should the Inspecting Engineer be of opinion that the stated cost of construction is not fair and reasonable, or that it has not been actually incurred in work of construction, he shall forthwith inspect and estimate the value of the work actually performed, and make such other inquiry and examination as the Commissioner may direct, and forward to the Commissioner a report on the same.

18. On receipt of a statement, duly certified by the Inspecting Engineer, or of his estimate as provided in the preceding regulation, the Commissioner may issue a certificate which shall be forwarded to the Minister of Public Works, who shall forthwith order a sum of money not exceeding one-third the amount of such certificate to be issued and paid to the projectors of the enterprise.

19. The projectors of any enterprise to which money may be advanced shall, before the issue of any loan to them, give to the Minister a valid lien or mortgage to cover the amount of loan over the works and property proposed to be constructed, and such lien or mortgage shall be registered in the Warden's Court of the district.

20. No money shall be paid towards the construction of any water race, dam or reservoir unless the projectors of the same shall have duly registered themselves under "The Mining Companies Limited Liability Act."*

21. The rate of interest to be paid by the projectors of any enterprise coming under these Regulations shall be 8 per centum per annum, payable quarterly from the date of the advance.†

22. The capital sum to be repaid out of the profits of the enterprise in the same proportion as the amount of money advanced by the Government bears to the paid up capital of the Company.‡

* It is absolutely essential that this regulation be imposed. Under the Act referred to the Company is compelled to make return of receipt and expenditure, and keep books open to inspection. Without this it would be impossible to ascertain correctly the profits of any enterprise, out of which alone the Government can look for repayment of the money advanced.

† There will be no difficulty whatever in making the outlay of the money for water races a profitable transaction to the Colony. Provinces will gladly pay the interest proposed, which is fully one-half less than the rate usually charged by local lenders for works of the kind. The loan costs the Government about 5½ per cent. ; and if the whole of the £300,000 is taken up during the next two years, the amount of interest to be received by the Government over and above the cost of the money to the Colony will be £7,500 per annum. The first half-year's interest might be deducted from the capital sum.

‡ This regulation places the Government in the same position as a shareholder in respect to the division of profits. We are afraid that it would be found very difficult to insist upon absolute annual or periodical repayments of the advance, whether the work constructed was profitable or not. Besides, although through unavoidable or unforeseen causes the proprietors of a water race might fail to make a profit after the interest on the borrowed capital had been paid, the State might indirectly profit through the employment of miners using the water and the production of gold.