

1903.
NEW ZEALAND.

TARANAKI IRONSAND AND PARAPARA IRON

(CORRESPONDENCE RELATING TO THE LEASING OR WORKING OF).

Return to an Order of the House of Representatives dated the 23rd September, 1902.

Ordered, "That there be laid before this House all letters and correspondence received by the Minister of Mines not marked 'private,' from persons and firms, relating to the leasing or working of the Taranaki ironsand and the Parapara iron deposits."—(MR. MEREDITH.)

The Hon. A. J. CADMAN to the Hon. the MINISTER OF MINES.

Avondale, Auckland, 5th April, 1902.

SIR,—

Re Parapara.

I have the honour to inform you that in dealing with this matter the English solicitors advise that it is necessary to produce some official document from the Government showing that I am in a position to negotiate for the investment of capital to develop the iron industry on this reserve.

I enclose the memorandum given me by the firm of solicitors acting on my behalf, showing what they consider necessary, and I would suggest that when a deposit of, say, £1,000, is placed in the hands of the Agent-General to prove *bona fides*, no outside interference with Parapara will be allowed to hamper my proceedings.

I have now been nearly two years working up a scheme to develop the iron industry of the colony, and have expended a considerable amount of money on the project, with every reasonable hope of success, provided the Government do not demand too stringent conditions; and, while I admit the necessity of safeguarding the interests of the colony, I would also remind you that capitalists cannot be expected to expend so large a sum as £200,000 in any industry except under such conditions as will enable them to recoup themselves within a reasonable time. I would therefore ask that the Government will furnish me with a letter setting forth the exact terms and conditions upon which the lease may be obtained in order that no misunderstanding may arise hereafter, and also that I may not be put to the heavy expense of cables for further explanations.

Any business man can see at a glance the many difficulties any company will have to face in capturing the iron trade of New Zealand alone, while the great inducements held out by the Australian Commonwealth by large bounties and exceptionally heavy protective duties have made any chance of export trade almost prohibitive, the encouragement being for them to supply New Zealand. The position is therefore much more difficult than when I left New Zealand for England twelve months ago. I trust therefore the Government will offer every facility and assistance to further the project, more especially as—for my own reputation's sake—I am not likely to knowingly advocate or encourage anything of a "wild-cat" nature.

Kindly return me Messrs. Francis and Johnson's note.

The Hon. the Minister of Mines, Wellington.

I have, &c.,

A. J. CADMAN.

The Hon. the MINISTER OF MINES to the Hon. A. J. CADMAN.

(Telegram.)

11th April, 1902.

Re your letter of the 5th instant about iron lease at Parapara, before Government can furnish you with the letter you desire to submit to capitalists in London it will be necessary for you in the first place to propose for consideration the concessions you want, necessitating a modification of the provisions of section 90 of "The Mining Act, 1898," which at present is the only authority under which mineral leases can be granted. You will observe that that section restricts the area of each lease to three hundred and twenty acres, while the limits of rents and royalties are fixed, and the mineral lease is liable to be cancelled if gold is found thereon. If you will state definitely how much of the two thousand one hundred acres at Parapara, which has been withdrawn from mineral leasing, you want, and how far you require the terms of section 90 of the Act to be modified, your proposals will be considered, and, if found to be satisfactory, a Bill can be prepared for next session to give effect to them.

JAS. MCGOWAN.

Hon. A. J. Cadman, Avondale, Auckland.