

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.

The Hon. A. J. CADMAN to the Hon. the MINISTER OF MINES.
Re *Parapara*.

SIR,—

Avondale, Auckland, 12th April, 1902.

In response to your telegram dated the 11th April, I have the honour to submit the following proposals for consideration by the Government, viz. :—

- No. 1. That I can have one (1,000) thousand acres of the reserve, the area to be chosen later on when company ready to commence operations.
- No. 2. That all liability of the lease to be cancelled if gold is found thereon be abolished.
- No. 3. That the balance of the reserve be retained by the Government for the purpose of providing residence areas, sites for schools and other public buildings which will inevitably be required when the works proceed.

In so far as No. 2 is concerned, I have no desire to prohibit gold-mining entirely, but would ask that no one be allowed to mine, especially sluicing, except in places where it will not interfere with any portion of the works connected with the iron industry, and that no mining rights be given to any persons which will place them in a position later on to extort money from or levy blackmail upon those connected with the iron industry.

The demand for 1,000 acres may be deemed excessive, but the magnitude of the works to be erected, in order to comply with the Government requirements to obtain the bonus, makes it necessary to have a large number of different plants which will all have to be connected by tram-lines; these, together with the necessary roads and outlets from the mine and provision for extension in the future, will require a considerable area alone.

Outside these proposals I am quite satisfied to work under the present law, and I trust the Government will concur with me in considering the demands very reasonable, more especially in view of the great importance the establishment of an iron industry in our midst is to the whole colony, and bearing in mind the great concessions now being given by the new Commonwealth to rivals in Australia.

As I have arranged to leave for England by the end of this month, I would urge that the matter may be considered without delay, and the decision telegraphed to me.

Yours, &c.,

A. J. CADMAN.

The Hon. the Minister of Mines, Wellington.

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

(Telegram.)

17th April, 1902.

IRON lease, Parapara: Letter posted agreeing to following conditions: (1.) Deposit £1,000 (one thousand pounds). (2.) Area of lease (1,000) one thousand acres. (3.) Lease not liable to cancellation if gold found thereon. (4.) Government to dispose of balance reserved area as it thinks fit. (5.) In all other respects lease to be subject to provisions existing law. (6.) Government to introduce Bill to give effect to proposals.

JAMES MCGOWAN.

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

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

SIR,—

Mines Department, Wellington, 17th April, 1902.

I have the honour to acknowledge the receipt of your letter of the 12th instant, submitting proposals for the granting of a mineral lease to any company that may be formed by you for developing the iron industry at Parapara, and in reply to inform you that the Government agree to a lease on the undermentioned conditions :—

- (1.) A deposit of one thousand pounds (£1,000) to be lodged with the Agent-General in London to prove *bona fides*.
- (2.) A lease of not exceeding one thousand (1,000) acres of the area of two thousand one hundred (2,100) acres at Parapara at present withdrawn from mineral leasing to be granted.
- (3.) Any lease that may be granted not to be liable to cancellation should any portion of the land prove auriferous after the issue of the lease.
- (4.) The Government to reserve to itself the right to deal with the balance of the area referred to in such manner as it thinks fit.
- (5.) In all other respects the lease to be subject to the terms and conditions prescribed by section 90 of "The Mining Act, 1898."
- (6.) On acceptance of the terms now submitted and on payment of the deposit, the Government will undertake to promote a Bill to modify the conditions of the existing law relating to the granting of mineral leases, in so far as may be necessary to give effect to the foregoing proposals.

I have, &c.,

JAMES MCGOWAN,

Minister of Mines.

Hon. A. J. Cadman, M.L.C., C.M.G., Avondale, Auckland.

P.S.—As requested, I return the note of the 17th December, 1901, from Messrs. Francis and Johnson, solicitors, of London, which you forwarded with your letter of the 5th instant.

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

(Telegram.)

19th April, 1902.

PARAPARA: Many thanks for promptitude. Will be obliged if Law Officers could draft Bill for my perusal before leaving. Kindly see that provisions to prevent clashing between iron and gold mining made quite clear.

Hon. James McGowan, Wellington.

A. J. CADMAN.

EXTRACT from Note supplied to the Hon. A. J. Cadman by Messrs. Francis and Johnson, Solicitors, London, and forwarded with his Letter of the 5th April, 1902. (Original returned with Letter of the 17th April, 1902.)

London, 17th December, 1901.

Note for Hon. A. J. Cadman.

PARAPARA: Mr. Cadman should obtain an official document from the proper authorities to the effect that, on payment of £ as a deposit, forfeitable or otherwise as may be arranged, a lease as per draft attached to such document will be granted to him or to his assigns, be the same a private individual or a corporation.

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